CHAPTER 30

The Conservative Ascendancy

1974–1991
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In 1962 Bee Gathright, a Brownie leader and mother of three young girls, opened her suburban Garden Grove home to bring together neighbors to hear a talk about politics by a man from the nearby Knott’s Berry Farm Freedom Center. “This is when I discovered that I was a conservative,” she later recalled. She soon arranged for the speaker to address a larger audience at the local public school. Gathright began to read widely in books and newspapers “because I began to hear that the Communists were going to bury us, were going to take over the world . . . I was afraid.” She convinced her skeptical husband Neil, an aerospace engineer, to share her newly-found activism. They soon joined the California Republican Assembly, a volunteer organization dedicated to electing conservatives to office. In 1964 the Gathrights’ home served as a local headquarters for the presidential campaign of conservative Arizona Senator Barry Goldwater.

Orange County in the 1960s and 1970s had thousands of “kitchen table” activists like the Gathrights, and they began a transformation of American conservatism and American politics that would culminate in the election of Ronald Reagan as president in 1980. Most of them were middle-class men and women, including large numbers of professionals and owners of small businesses. Many, like the Gathrights, had moved to California, attracted by job opportunities in aerospace. Orange County’s 800 square miles lie at the geographic center of the southern California basin, and large lemon and orange groves dominated the economy until the 1940s. World War II and Cold War defense-related spending accelerated the county’s growth as companies like Hughes Aircraft, Autonetics, and Beckman Instruments created thousands of new manufacturing jobs. A strong demand for housing spurred a construction boom and a roaring real estate market. By 1960, more than 700,000 people lived in Orange County, an increase of nearly 400 percent since 1940, and the population doubled again to almost 1.5 million by 1970.

While Barry Goldwater’s 1964 campaign had ignited great enthusiasm in Orange County, his national defeat forced conservatives to consider ways to shed the “extremism” label and put more emphasis on winning office. In 1966 they succeeded in electing Ronald Reagan as governor. A former Hollywood actor and New Deal liberal, Reagan had evolved in the 1950s into a prominent conservative and Republican Party activist. His gubernatorial campaign stressed limiting state support for welfare and other social services, while expanding state power to enforce law and order.

Reagan’s success in California, as well as Richard Nixon’s election as president in 1968, signaled an important new turn for American conservatives. They still championed anticommunism, but no longer engaged in the kind of loose talk about using nuclear weapons that had hurt Goldwater. They attacked the growth of “big government,” but no longer spoke openly about repealing popular New Deal programs like Social Security. Instead, they responded to the concerns over “social issues” that increasingly troubled and mobilized Orange County’s grass-roots activists. These issues were largely defined by a “backlash” against the anti-war movement, counterculture, feminist activism, and urban uprisings, and an emphasis on so-called family issues, in which opposition to sex education, obscenity, abortion rights, gay liberation, and the equal rights amendment were all linked together.

On the economic side, conservatives began to tap a deep well of resentment over rising property taxes and high inflation.
Two of the central themes of this new conservatism found powerful expression in Orange County and resonated with millions of Americans well beyond it. One was the so-called tax revolt led by Howard Jarvis, a flamboyant campaigner in southern California conservative circles. Jarvis told his supporters, “Lower taxes and less government became my holy grail.” Jarvis relied on local networks to gather 1.3 million signatures to get his Proposition 13 on the ballot—a constitutional amendment that slashed the property tax rate and strictly limited future tax increases. After its passage in 1978, the “tax revolt” soon spread to other states and attracted millions to the conservative message of limiting government and lowering taxes.

Orange County was a center of the second new force reshaping conservatism, the spectacular growth of “born again” evangelical Christianity. Fundamentalist sects had long been associated with the rural poor of the South. But Orange County’s religious revival featured educated professionals and middle-class suburbanites who turned to Christianity for spirituality and meaning and as a way to assert order amidst rapid cultural and social change. “Born again” Christians found community not only in Sunday services but in a wide range of tightly organized activities: Bible study groups, summer retreats, “singles’ fellowships,” prayer breakfasts, and “Christian” consumer culture, which allowed people to simultaneously embrace faith, modern business techniques, and worldly goods. The political implications of the new evangelicalism soon became clear. Most fundamentalist preachers tied their sermons and prophesies to conservative political themes, especially fears about the decline of morality and of American power in the world.

President Jimmy Carter, who took office in 1976, was a “born-again” Christian, and his successor, Ronald Reagan, raced to victory in 1980 with the strong backing of newly politicized Christian voters. For Bee Gathright, Reagan’s victory vindicated her years of grass-roots activism and set the nation on a conservative course that affected national politics into the twenty-first century.

As president, Reagan introduced a new economic program—“Reaganomics”—that reduced income taxes for wealthy Americans and at the same time increased federal spending for the largest military buildup in American history. Abolishing the Great Society antipoverty programs, he fostered the growth of a two-tiered society characterized by a disproportionate number of women and children filling the ranks of the nation’s poor. Meanwhile, the increases in military spending complemented Reagan’s foreign policy, which included a revival of cold war patriotism, interventions in the Caribbean and Central America, and a reference to the Soviet Union as “an Evil Empire.” However, Reagan’s term in office expired before one of the most dramatic events of the final years of the twentieth century: the dissolution of the Soviet Union.
The Overextended Society

In the 1970s Americans faced an unfamiliar combination of skyrocketing prices, rising unemployment, and low economic growth. Economists termed this novel condition “stagflation.” The annual rate of economic growth slowed by almost one-quarter from its robust 3.2 percent average of the 1950s. By 1975, the unemployment rate had reached nearly 9 percent, its highest level since the Great Depression, and it remained close to 7 percent for most of the rest of the decade. Inflation, meanwhile, reached double-digits.

The United States had come to a turning point in its economic history. Emerging from World War II as the most prosperous nation in the world and retaining this status through the 1960s, the country suddenly found itself falling behind western Europe and Japan. Polls conducted at the end of the 1970s revealed that a majority of Americans believed that conditions would worsen.

The gloomy economy shadowed the nation’s political leaders. Republican Gerald Ford and Democrat Jimmy Carter promised little and, as far as many voters were concerned, delivered less. Neither managed to secure a second term in the White House.

A Troubled Economy

In October 1973 gasoline prices nearly doubled, jumping from 40 to nearly 70 cents per gallon. Several states responded to the shortage by introducing rationing programs. Gas lines grew up to four miles long, and fistfights broke out among frustrated motorists (see Figure 30-1).

The oil crisis began suddenly, although it had been decades in the making. The United States, which used about 70 percent of all oil produced in the world, had found the domestic supply sufficient until the mid-1950s. But rising demand had outstripped national reserves, and by 1973 the nation was importing one-third of its crude oil, mainly from the Middle East. In that year, following the Arab–Israeli War, oil prices skyrocketed. On October 17, the Organization of Petroleum Exporting Countries (OPEC), a cartel of mainly Arab oil producers, announced an embargo on oil shipments to Israel’s allies, including the United States (see Map 30-1).

Caught off guard, President Nixon responded to the embargo by creating an “energy czar” and paving the way for the creation of the Department of Energy in 1977. He ordered a 10 percent reduction in air travel and appealed to Congress to lower speed limits on interstate highways to 55 miles per hour (incidentally reducing highway deaths in the process), and to extend daylight-saving time into the winter months. Many state governments introduced their own programs, turning down the thermostats in public buildings to a chilly 68 degrees, reducing nonessential lighting, and restricting hours of service.

With the cost of gasoline, oil, and electricity up, many other prices also rose, from apartment rents and telephone bills to restaurant checks. As oil prices continued to rise through the 1970s, many Americans also began to look suspiciously at the pricing practices of U.S. oil companies. Whatever the causes, the oil crisis played a major role in the economic downturn, the worst since the Great Depression.

The economic downturn, according to many experts, had deeper roots in the failure of the United States to keep up with the rising industrial efficiency of other nations. Manufacturers from Asia, Latin America,
and Europe now offered consumers cheaper and better products, including automobiles, long considered the monopoly of Detroit. U.S. automakers, determined to reduce costs, turned to “outsourcing”—that is, making cars and trucks from parts cheaply produced abroad and imported into the United States as semifinished materials (which were subject to a lower tariff than finished goods.) In high-tech electronics, the United States scarcely competed against Japanese-produced televisions, radios, tape players, cameras, and computers.

An AFL-CIO leader complained that the United States was becoming “a nation of hamburger stands . . . a country stripped of industrial capacity and meaningful work.” There was truth in this observation. At the close of World War II, industry accounted for 30 percent of the GNP; by 1980, industry’s share dropped to 24 percent. At the same time, the lower-paying, hard-to-organize service trades grew from 33 percent of the total economy in 1946 to over 45 percent in 1980. Enduring a shift of this magnitude, the trade union movement lost steam.

In past decades labor unions had typically responded to inflation by negotiating new contracts or, if necessary, striking for higher pay. But while factories closed, the National Labor Relations Board increasingly ruled in favor of management, making the organization of new union locals far more difficult. Between 1970 and 1982 the AFL-CIO lost nearly 30 percent of its membership. The only real growth took place

In this excerpt, Ezra Herman describes his feelings as he suspects that the Arab oil boycott was only partly to blame for the short supply of fuel.

The fuel crisis has stirred up enough concern and aggravation for car owners, especially those of us whose cars are essential to our livelihood . . . My gut feeling is that this is a carefully nurtured rip-off triggered by the leaky Arab boycott, which if absolute would reduce our crude oil supply by not more than 6 per cent.
South and Southwest.

Sunbelt

The states of the American regional economic conditions. Turning weakened in the North, so too did the sharp decline of industry. As manufacturing weakened in the North, so too did severe population losses, accompanying the northern United States experienced a doubling from 1940. At the same time, the Sunbelt’s population was 11 million, only modest gains, while recent Mexican immigrants and Indian peoples suffered from the depressed Northeast, boosted by the allocation of Social Security funds. The number of residents over the age of sixty-five increased by 30 percent during the 1970s, reaching 26 million by 1980. Armed with retirement packages won decades earlier, huge “golden age” migrations created new communities in Florida, Arizona, and southern California.

The South witnessed a dramatic turnaround in demographic and economic trends. While manufacturing and highly subsidized agribusiness flourished, southern cities reversed the century-long trend of out-migration among African Americans. The Southwest and West changed yet more dramatically. Aided by air conditioning, water diversions, public improvements, and large-scale development, California became the nation’s most populous state; Texas moved to third, behind New York. Former farms and deserts were turned almost overnight into huge metropolitan areas by the automobile and suburbs. Phoenix grew from 664,000 in 1960 to 1,509,000 in 1980, Las Vegas from 127,000 to 463,000.

Much of the Sunbelt wealth tended to be temporary or sharply cyclical, producing a boom-and-bust economy of sudden expansion and disordered sprawl. Corporate office buildings in cities such as Houston emptied almost as fast as they filled. Income was also distributed very unevenly. Older Hispanic populations made only modest gains, while recent Mexican immigrants and Indian peoples suffered among public employees, including teachers, civil service workers, and health professionals—all of them dependent on sagging public budgets. Union-backed measures now routinely failed in Congress, despite the Democratic majority.

Typical of hard times, women sought jobs to support their families. By 1980 more than half of all married women with children at home were in the labor force. Yet despite their growing numbers, women lost ground relative to men. In 1955 women earned 64 percent of the average wages paid to men; in 1980 they earned only 59 percent. The reason for this dip was that women were clustered in the clerical and service trades where the lowest wages prevailed.

African American women made some gains. Through Title VII of the Civil Rights Act, which outlawed workplace discrimination by sex or race, and the establishment of the Equal Employment Opportunity Commission to enforce it, they managed to climb the lower levels of the job ladder. By 1980, northern black women’s median earnings were about 95 percent of white women’s earnings.

In contrast, Hispanic women, whose labor force participation leaped by 80 percent during the decade, were restricted to a very few poorly paid occupations. Puerto Ricans found jobs in the garment industry of the Northeast; Mexican Americans more typically worked as domestics or agricultural laborers in the Southwest. Neither group earned much more than the minimum wage.

Sunbelt/Snowbelt Communities

By the 1970s the Sunbelt offered a rare showplace of American prosperity. It boasted a gross product greater than many nations and more cars, television sets, houses, and even miles of paved roads than the rest of the United States. Large influxes of immigrants from Latin America, the Caribbean, and Asia combined with the shift of Americans from the depressed Northeast to boost the region’s population. From 56 million people in 1940, the Sunbelt’s population more than doubled to 118 million just four decades later (see Map 30-2).

This increase had been made possible by a huge outlay of federal funds, including defense spending and the allocation of Social Security funds. The number of residents over the age of sixty-five increased by 30 percent during the 1970s, reaching 26 million by 1980. Armed with retirement packages won decades earlier, huge “golden age” migrations created new communities in Florida, Arizona, and southern California.

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from a combination of low wages and poor public services. The Sunbelt states concentrated their tax and federal dollars on strengthening police forces, building roads or sanitation systems for the expanding suburbs, and creating budget surpluses, in contrast to eastern and midwestern states that continued to spend significantly on public housing, education, and mass transit.

The “Snowbelt” (or “Rustbelt”) states meanwhile suffered severe population losses accompanying the sharp decline of industry. Of the nineteen metropolitan areas that lost population during the 1970s, all were old manufacturing centers, topped by New York, Cleveland, Pittsburgh, Boston, Philadelphia, and Buffalo.

A feeling of defeat intensified in the aging industrial cities of the Monongahela River valley in western Pennsylvania. Since the late nineteenth century, “Mon Valley” had proudly stood as the steelmaking center of the nation and much of the world. With the decline of steel production, however, major firms such as U.S. Steel increased investments in overseas mining and mineral processing companies, some of which worked closely with foreign steelmakers. This policy of “disinvestment” had a devastating impact on the people and communities who for generations had helped build the nation’s basic industries. During the 1980s the Mon Valley lost 30,000 people, or 10 percent of its population.

New York City offered a still more spectacular example. A fiscal crisis in 1975 forced liberal mayor Abraham Beame to choose between wage freezes for public employees and devastating cuts and layoffs. Eventually, with the municipal government teetering on the brink of bankruptcy, he chose both. In response to cutbacks in mass transit and the deterioration of municipal services, a large sector of the middle class fled. At the same time, the proportion of poor people rose from 15 percent in 1969 to nearly 25 percent fourteen years later.

“LEAN YEARS PRESIDENTS”: FORD AND CARTER

Gerald R. Ford and Jimmy Carter presided over not only a depressed economy but a nation of disillusioned citizens. The revelations of the Watergate break-in and Nixon’s subsequent resignation as president cast a pall over politics. Replacing Nixon in August 1974, Gerald Ford reassured the public that “our long national nightmare is over”—then quickly pardoned Nixon for all the federal crimes he may have committed. The pardon reinforced public cynicism toward government and Ford in particular. Elections later that year added fifty-two Democrats to the House and four to the Senate (see Map 30-3).

Ford, who issued more vetoes of major bills than any other president in the twentieth century but saw Congress override most of them, struck most Americans as a pleasant person of modest ability. His WIN plan (Whip Inflation Now), which encouraged the public to conserve energy, had little impact on the nation’s economy. First Lady Betty Ford was the shining star of the White House. She broke ranks with other Republicans to champion the Equal Rights Amendment. She also won praise for her courage in discussing her mastectomy for breast cancer and her voluntary entry into a substance abuse clinic for a drinking problem.

Ford banked on his incumbency for the 1976 election and welcomed Senator Robert Dole of Kansas as his running mate. Democrats chose Jimmy Carter, a former navy officer and governor of Georgia, who presented himself as a political outsider. When Carter told his mother he was running for president, she reportedly asked, “President of what?”

To explore this map further, go to www.myhistorylab.com

**AP**

Guideline 27.1

Class Discussion Question 30.2

MAP 30-3

The Election of 1976 Incumbent Gerald Ford could not prevail over the disgrace brought to the Republican Party by Richard Nixon. The lingering pall of the Watergate scandal, especially Ford’s pardon of Nixon, worked to the advantage of Jimmy Carter, who campaigned as an outsider to national politics. Although Carter and his running mate Walter Mondale won by only a narrow margin, the Democrats gained control of both the White House and Congress.

WHY DID Ford pardon Nixon? Did it cost him the election?
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A “born again” Christian, Carter declined to call himself a liberal, offering instead personal integrity as his chief qualification for the nation’s highest office. On domestic issues, he campaigned as a moderate. Counting on support from both conservative and southern voters who would ordinarily vote Republican, he defended existing entitlement programs while opposing Senator Edward Kennedy’s call for comprehensive health coverage. He capitalized on Ford’s unpopular Nixon pardon and, with his running mate Senator Walter Mondale of Minnesota, won with just over 50 percent of the popular vote and a 297-to-240 margin in the Electoral College. Carter won more than 90 percent of the black vote, which provided his margin of victory in Pennsylvania, Ohio, and seven southern states. But apathy proved the next most important factor. A record 46.7 percent of eligible voters did not bother to cast ballots.

In office, Carter seemed to many observers enigmatic, even uninterested in the presidency. His most successful innovation, deregulation of the airlines, brought lower fares for millions of passengers. But by freeing banks from congressional control, he inadvertently encouraged bad investments, outright fraud, and a round of disastrous bank failures. Inflation proved to be his worst enemy. As older Americans could recognize, half of all the inflation since 1940 had occurred in just ten years. Interest rates rose, driving mortgages out of reach for many would-be home buyers. Rents in many locations doubled, sales of automobiles and other consumer products slumped, and many small businesses went under. Tuition costs skyrocketed along with unemployment, and many young men and women who could neither afford to go to college nor find a job moved back home. A fiscal conservative, Carter could not deliver on his promise to turn the economy around. By the time he left office in 1980, a majority of those polled agreed that “the people running the country don’t really care what happens to you.”

**Deregulation**
Reduction or removal of government regulations and encouragement of direct competition in many important industries and economic sectors.

**Audio-Visual Aid, “Focus on the Seventies: The Anxious Years”**

**Lecture Suggestion 30.3, Carter Election of 1976**

In this excerpt, President Carter addresses Americans’ lack of confidence in themselves and our economy.

The erosion of our confidence in the future is threatening to destroy the social and political fabric of America . . . For the first time in the history of our country a majority of our people believe that the next five years will be worse than the past five years. Two-thirds of our people do not even vote. The productivity of American workers is actually dropping; and the willingness of Americans to save for the future has fallen below that of all other people in the Western world . . .

**These newly built houses** in Phoenix, Arizona, a popular retirement community as well as the state capital, helped accommodate a 55 percent rise in the city’s population between 1970 and 1980. Like other burgeoning cities of the Mountain West, Phoenix experienced many urban tensions during this decade, including racial conflict, antagonism between affluent suburbs and the decaying downtown, air pollution, traffic congestion, and strained water supplies.

Guido Alberto Rossi/TIPS North America.
THE NEW URBAN POLITICS

The mass demonstrations of the 1960s gave way in the 1970s to a style of political mobilization centered squarely in communities. Unlike national elections, which after 1968 registered increasing voter apathy, local campaigns brought a great many people to the voting booth.

In many cities, new groups came into political power. In several college towns, such as Berkeley, California, and Eugene, Oregon, both of which had been centers of political activism during the 1960s, student coalitions were formed to secure seats for their candidates on city councils. In 1973 labor unions, college students, and community groups in Madison, Wisconsin, elected a former student activist to the first of three terms as mayor.

African American candidates scored impressive victories during the 1970s. The newly elected African American mayor of Atlanta, Maynard Jackson, concluded that “politics is the civil rights movement of the 1970s.” By 1978, 2,733 African Americans held elected offices in the South, ten times the number a decade earlier. Mississippi, a state where the civil rights movement had encountered violent opposition, had more African American elected officials by 1980 than any other state in the union. Most of these elected officials served on city councils, county commissions, school boards, and law enforcement agencies. But voters elected African American mayors in New Orleans and Atlanta. In other parts of the country, black mayors, such as Coleman Young in Detroit, Richard Hatcher in Gary, and Tom Bradley in Los Angeles, held power along with many minor black officials.

Other racial or ethnic groups advanced more slowly, rarely in proportion to their actual numbers in the population. Mexican Americans had already won offices in Crystal City, Texas, and in 1978 took control of a major city council, in San Antonio, for the first time. They also scored electoral victories in other parts of Texas and in New Mexico and developed strong neighborhood or ward organizations in southern California. Puerto Ricans elected a handful of local officials in New York, mostly in the Bronx. Asian Americans advanced in similar fashion in parts of Hawai’i.
The fiscal crises of the 1970s nevertheless undercut the efforts to reform municipal government. Most new officials found themselves unable to make the sweeping changes they had promised during their campaigns. Community-based job programs could not counteract the effects of factory shutdowns and the disappearance of industrial jobs. **Affirmative action** programs aroused cries of “reverse discrimination” from angered whites who felt that minorities’ progress had been registered at their expense. Conservatives put forward their own candidates, charging that government at all levels favored minorities, the jobless, and criminals over the law-abiding, hard-working, tax-paying majority.

**The Endangered Environment**

On March 28, 1979, a series of mechanical problems and judgment errors at the nuclear generating facility at Three Mile Island (TMI), near Harrisburg, Pennsylvania, led to the breakdown of the plant cooling system, causing the formation of a dangerously explosive hydrogen bubble and posing the danger of a catastrophic core meltdown. After the news broke, nearly 150,000 residents fled their homes. President Carter and First Lady Rosalynn Carter tried to reassure the stricken community by visiting the site. Ten days later, the Nuclear Regulatory Commission announced that any danger of explosion had passed, but what had seemed an isolated event in one community had already grown into a regional phenomenon with national repercussions. Elevated levels of radioactivity were found in milk supplies several hundred miles away. Massive demonstrations against nuclear power followed the accident, concluding in a rally of more than 200,000 people in New York City. Groups organized in many communities to defeat referendums to fund new nuclear power facilities or rallied around candidates who promised to shut down existing ones. Of the ninety-six under construction and the thirty more planned at the time of the TMI crisis, only a handful were completed.

Earlier in the 1970s, the discovery of high rates of cancer and birth defects in Love Canal, near Buffalo, New York, had offered compelling evidence of a growing danger to many American communities. Here toxic wastes dumped by the Hooker Chemical Laboratory had oozed into basements and backyards, and homemaker Lois Gibbs organized a vigorous publicity campaign to draw attention to the grim situation. Meanwhile, outraged Florida residents realized that the damming of the Everglades for sugar production and housing developments, undertaken by the Army Corps of Engineers decades earlier, had degraded thousands of acres of wilderness, eliminating natural filtration systems and killing millions of birds and other species.

The roots of the modern environmentalist movement can be traced to the publication of the works of marine biologist Rachel Carson. In 1962 she published *Silent Spring*, which detailed the devastating effects of DDT and other pesticides. By 1970, opinion polls showed the state of the environment outranking all other domestic issues. Senator Gaylord Nelson of Wisconsin and Representative Paul “Pete” McCloskey of California invited Americans to devote an entire day—April 22, Earth Day—to discuss the environment. The response was overwhelming; nearly 20 million Americans gathered in local parks, high schools, and colleges, and at the nation’s capital.

Even before the energy crisis, many Americans had begun to make changes in their own ways of living. Many families began to save glass bottles and newspapers for reuse. Some began to reduce or eliminate their consumption of beef, since beef is far more costly and uses more
resources to produce than grain. Backyard vegetable gardens became popular, as did grocers who stocked organic foods.

The environmentalist movement grew stronger in long-standing organizations, such as the Audubon Society and the Wilderness Society. The Sierra Club, formed in 1892 as a small society of western mountain hikers, grew from 15 million members in 1960 and to 136 million in 1972. New groups, such as the Environmental Defense Fund and Friends of the Earth, sprang up, most advocating the development of renewable energy sources such as solar power.

Cutting across nearly all population groups and regions, environmentalists reached such traditionally conservative areas as the Deep South with warnings of the dangers of toxic wastes, the destruction of wetlands, and the ruin of fishing industries. Sometimes campaigns succeeded in blocking massive construction projects, such as nuclear energy plants; more often they halted small-scale destruction of a natural habitat or historic urban district. These campaigns made the public more aware of the consequences of private and government decisions about the environment.

Responding to organized pressure groups, Congress passed scores of bills designed to protect endangered species, reduce pollution caused by automobile emissions, limit and ban the use of some pesticides, and control strip-mining practices. The Environmental Protection Agency (EPA), established in 1970, grew to become the federal government’s largest regulatory agency, employing more than 10,000 people by the end of the decade.

Environmentalists enjoyed only limited success in bringing about large-scale changes in policy. Cities often avoided congressional mandates for reduction in air pollution by requesting lengthy extensions of deadlines for compliance. Despite the introduction of lead-free gasoline, the air in major metropolitan areas grew no better in the long run because automobile traffic increased at a fast pace. Environmentalists lost an important campaign with the approval of the Alaskan Pipeline, 800 miles of pipe connecting oil fields with refining facilities.

THE NEW CONSERVATISM

Sizable numbers of taxpayers resented the tax hikes required to fund government programs that benefited minorities, provided expanded social services for the poor, or protected the environment at the expense of economic development. In 1978 California voters staged a “taxpayers’ revolt,” approving Proposition 13, which cut property taxes and government revenues for social programs and education. In other economically hard-pressed urban areas, white voters who resented the gains made by African Americans and Latinos formed a powerful backlash movement. By the end of the decade, the only substantial increase in voter participation was among conservatives.

THE NEW RIGHT

By the end of the 1970s, evangelical Christians had become the backbone of the New Right and chief fund-raisers for key organizations such as the National Conservative Political Action Committee and, most especially, the Moral Majority. They united behind major conservative and political leaders not merely to promote an ideology but to target specific issues that they believed further undermined what they termed “traditional family values.”

Although conservative political organizations were among the first to employ direct mail campaigns, televangelists met with even greater success. By the late 1960s,
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the TV ministries of Pat Robertson and Jim Bakker frequently mixed conservative political messages with appeals to prayer. Jerry Falwell’s *Old-Time Gospel Hour* was broadcast over 200 television stations and 300 radio stations each week. Christian broadcasters generally endorsed Falwell’s faith that “the free-enterprise system is clearly outlined in the Book of Proverbs of the Bible.” By the end of the 1970s more than 1,400 radio stations and thirty TV stations specialized in religious broadcasts that reached an audience of perhaps 20 million weekly.

The Reverend Jerry Falwell formed the Moral Majority as a political lobbying group to advocate tough laws against homosexuality and pornography, to promote a reduction of government services (especially welfare payments to poor families), and to increase spending for a stronger national defense. He also waged well-publicized campaigns against abortion, the ERA, and the busing of schoolchildren.

Jesse Helms was the first major politician to appeal directly to the New Right and to build his own impressive fundraising empire with its help. A North Carolina journalist who had fought the integration of public schools and defended the Ku Klux Klan, he had often attacked Martin Luther King Jr. as a Communist-influenced demagogue. Helms entered national politics as a Goldwater supporter in 1964 and ran for the Senate in 1972. Carried to victory with Nixon’s success in North Carolina, Helms immediately promoted a host of conservative bills as well as federal support for regional tobacco interests. He introduced legislation to allow automobile owners or dealers to disconnect mandatory antipollution devices. He also defended the Watergate break-ins as necessary to offset the “traitorous conduct” of antiwar activists. By 1978 he had raised $8.1 million, the largest amount ever, for his successful reelection campaign. Helms built a powerful, loyal, and wealthy following.

The political surge rightward gained intellectual respectability from neoconservatives, former liberals who blamed the social movements of the 1960s for the demoralization of the nation. The American Enterprise Institute and the Heritage Foundation, heavily supported by major corporations, established research centers for conservative scholars. These and other foundations also funded campus publications attacking welfare programs, affirmative action, and environmentalism.

Anti-ERA, Antiabortion

The New Right rallied grass-roots support for a balanced budget amendment to the Constitution, sought unsuccessfully to return prayer to the public schools, and endorsed the Supreme Court’s approval of the death penalty in 1977. The New Right also waged a counterattack against programs and policies that they believed endangered the “traditional” family, such as government-sponsored day care centers, legislative reforms to establish educational equity, and social services for battered women and single mothers (see Figures 30-2 and 30-3).

The defeat of the Equal Rights Amendment (ERA) stood at the top of the New Right agenda. Approved by Congress in March 1972, nearly fifty years after its introduction (see Chapter 22), the ERA stated: “Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.” Endorsed by both the Democratic and Republican Parties, the amendment appeared likely to be ratified by the individual states. Nearly all mainstream women’s organizations, including the Girl Scouts of America, endorsed
the ERA. Even the AFL-CIO retracted its long-standing opposition and endorsed the amendment.

Cued by this groundswell of support in favor of the ERA, the New Right swung into action. Phyllis Schlafly, a self-described suburban housewife and popular conservative lecturer, headed the STOP ERA campaign, describing the amendment’s supporters as “a bunch of bitter women seeking a constitutional cure for their personal problems.” The New Right mounted large, expensive campaigns in each swing state and overwhelmed pro-ERA resources. Although thirty-five states had ratified the ERA by 1979, the amendment remained three votes short of passage. Despite a three-year extension, the ERA died in Congress in 1982, with 85 percent of the Democrats and only 30 percent of the Republicans voting in favor of the amendment.

The New Right also waged a steady campaign against abortion, which the women’s liberation movement had defined as a woman’s right rather than a mere medical issue. In 1973 the Supreme Court had ruled in *Roe v. Wade* that state laws decreeing abortion a crime during the first two trimesters of pregnancy constituted a violation of a woman’s right to privacy. Opponents of *Roe* rallied for a constitutional amendment defining conception as the beginning of life and arguing that the “rights of the unborn” supersede a woman’s right to control her own body. The Roman

**FIGURE 30-2**

Gallup Poll on the Equal Rights Amendment, 1975  
By 1973 thirty of the thirty-eight states required to ratify the ERA had done so. Although the amendment ultimately failed to achieve ratification and died in June 1982, public support was strong. In the 1976 presidential campaign, the platforms of both Democrats and Republicans included planks favoring its passage.


**FIGURE 30-3**

Gallup Polls on Abortion, 1969, 1974  
During the 1960s, numerous American women began to demand control over their own reproductive processes and the repeal of legislation in place in all fifty states rendering abortion illegal. The American Institute of Public Opinion surveyed Americans in 1969, when abortion was still illegal, and again in 1974, one year after *Roe v. Wade*, the Supreme Court ruling that struck down state laws prohibiting abortion during the first three months of pregnancy.

Catholic Church organized the first antiabortion demonstrations after the Supreme Court’s decision and sponsored the formation of the National Right to Life Committee, which claimed 11 million members by 1980.

Antiabortion groups also rallied against sex education programs in public schools. They picketed Planned Parenthood counseling centers, intimidating potential clients. A small minority turned to more extreme actions and bombed dozens of abortion clinics.

“The Me Decade”

The shift in the political winds of the 1970s registered not only the rise of the New Right but also the disengagement of a sizable number of Americans from politics altogether. In 1976 novelist Tom Wolfe coined the phrase the “Me Decade” to describe an era obsessed with personal well-being and emotional security. Health foods and diet crazes, a mania for physical fitness, and a quest for happiness through therapy involved millions of middle-class Americans. Historian Christopher Lasch provided his own label for this enterprise in the title of his best-selling book The Culture of Narcissism: American Life in an Age of Diminishing Expectations (1978). “After the political turmoil of the sixties,” he observed, “Americans have returned to purely personal preoccupations.”

The rise of the “human potential movement” provided a vivid example of this trend. The most successful was Erhard Seminars Training (EST), a self-help program blending insights from psychology and mysticism. Founded by Werner Erhard (a former door-to-door seller of encyclopedias), the institute taught individuals to form images of themselves as successful and satisfied. Through sixty hours of intensive training involving playacting and humiliation, participants learned one major lesson: “You are the one and only source of your experience. You created it.” Priced at $400 for a series of two weekend sessions, EST peaked at 6,000 participants per month, grossing $25 million in revenue in 1980.

Transcendental meditation (TM) promised a shortcut to mental tranquility and found numerous advocates among Wall Street brokers, Pentagon officials, and star athletes. Techniques of TM were taught in more than 200 special teaching centers and practiced by a reputed 350,000 devotees.

Religious cults also formed in large numbers during the 1970s. The Unification Church, founded by the Korean Reverend Sun Myung Moon, extracted intense personal loyalty from its youthful disciples, dubbed by the media as “Moonies.” Moon’s financial empire, which included hundreds of retail businesses and the conservative Washington Star, proved highly lucrative and kept his church solvent despite numerous lawsuits. By contrast, Jim Jones’s People’s Temple, an interracial movement organized in the California Bay Area, ended in a mass murder and suicide when Jones induced more than 900 of his followers to drink cyanide-laced Kool-Aid in a remote retreat in Guyana in 1978.

Popular music expressed and reinforced many of these trends. The songs of community and hope common in the late 1960s gave way to songs of more meaningful personal relationships, and to songs of nostalgia, despair, or nihilism. Bruce Springsteen, whose lyrics lamented the disappearance of the white working class, became the decade’s most popular new rock artist. At the same time, heavy metal bands such as KISS, as well as punk and new wave artists underscored themes of decadence and futility. Meanwhile country and western music hit its peak with crossover hits and numerous new all-C&W radio stations. Charismatic stars like Willie Nelson sang melodic refrains reeking of loneliness and nostalgia and appealing to older, white, working-class Americans.
Adjusting to a New World

In April 1975 the North Vietnamese struck Saigon and easily captured the city as the South Vietnamese army, now without U.S. assistance, fell apart. All fighting stopped within a few weeks, and Saigon was renamed Ho Chi Minh City. Vietnam was reunited under a government dominated by Communists. For many Americans, this outcome underscored the futility of U.S. involvement in the Vietnam War.

By the mid-1970s a new realism seemed to prevail in U.S. diplomacy. Presidents Ford and Carter, as well as their chief advisers, acknowledged that the cost of fighting the Vietnam War had been too high, speeding the decline of the United States as the world’s reigning superpower. The realists shared with dissatisfied nationalists a single goal: “No More Vietnams.”

A Thaw in the Cold War

The military defeat in Vietnam forced the makers of U.S. foreign policy to reassess priorities. The United States must continue to defend its “vital interests,” declared Ford’s secretary of state Henry Kissinger, but must also recognize that “Soviet–American relations are not designed for tests of manhood.” Both nations had experienced a decline of power in world affairs. And both were suffering from the already enormous and relentlessly escalating costs of sustaining a prolonged cold war.

At the close of World War II, the United States could afford to allocate huge portions of its ample economic resources to maintaining and enlarging its global interests. Soon, however, military and defense expenses began to grow at a much faster rate than the economy itself. Whereas the Korean War had cost around $69.5 billion, the Vietnam War cost $172.2 billion. Clandestine operations, alliance building, and weapons production accounted for trillions of dollars more.

Military spending at this level eventually took its toll on the American economy, especially as the federal government increasingly relied on deficit spending in an attempt to cover the bill. The federal debt, which stood at $257 billion in 1950, had jumped to $908 billion by 1980, and an increasingly large part of the federal budget went to paying just the interest on this debt. At the same time, military spending diverted funds from programs that could have strengthened the economy. The results were disastrous. While the United States endured falling productivity levels and rates of personal savings, and a disappearing skilled workforce, other nations rushed ahead.

Western European nations acted to nudge U.S. foreign policy away from its cold war premises. In 1975, in Helsinki, Finland, representatives of thirty-five nations approved the national boundaries drawn in eastern and western Europe after World War II, and in return the Soviet Union agreed to enact a more liberal human rights policy, including the loosening of restrictions on the emigration of Soviet Jews. Recognizing that the Soviet Union no longer posed a military threat to their national sovereignty—if indeed it ever had—western leaders also sought to strengthen economic relations between the two major blocs.

The Soviet Union, whose economy suffered even greater setbacks from defense spending, joined the United States in moving toward détente. The signing of SALT I, the first Strategic Arms Limitation Treaty, during Nixon’s administration, followed by the U.S. withdrawal from Vietnam, encouraged new efforts to negotiate on strategic arms control. In November 1974, Ford and Soviet leader Leonid Brezhnev met in Vladivostok to set the terms of SALT II, and President Carter secured the final agreement in 1979. However, the Senate refused to ratify the treaty when the Soviet Union invaded Afghanistan in December 1979.
Although repeated conflicts in the third world continued to slow the pace toward détente, leaders in both the United States and the Soviet Union usually recognized that their economic well-being depended on a reduction in defense spending. However haltingly, steps toward reconciliation had to be taken.

**FOREIGN POLICY AND “MORAL PRINCIPLES”**

When he took office, President Carter presented his lack of experience in foreign affairs as an asset. “We’ve seen a loss of morality,” he noted, “and we’re ashamed.” The “soul” of his policy would be an “absolute” commitment to human rights.

Carter condemned policies that allowed the United States to support “right-wing monarchs and military dictators” in the name of anticommunism. In 1976 a powerful human rights lobby pressured Congress to pass a bill that required the secretary of state to report annually on the status of human rights in all countries receiving aid from the United States and to cut off assistance to any country with a record of “gross violations.” Carter’s secretary of state, Cyrus R. Vance, and the assistant secretary for human rights and humanitarian affairs, Pat Derrian, worked to punish or at least to censure repressive military regimes in Brazil, Argentina, and Chile. For the first time, leading U.S. diplomats spoke out against the South African apartheid regime.

In line with this policy, Carter attempted to institute reforms at the Central Intelligence Agency (CIA), particularly to halt the blatant intervention in the affairs of foreign governments. He appointed Admiral Stansfield Turner, a Rhodes scholar, as director and ordered a purge of the “rogue elephants” who had pursued covert operations in Southeast Asia during the Vietnam War. “The CIA must operate within
the law,” Carter insisted. Under Turner, however, these reforms remained incomplete; they later proved temporary.

Carter nearly triumphed in the Middle East. Early in his administration, Carter met privately with Israeli prime minister Menachem Begin to encourage conciliation with Egypt. When negotiations between the two countries stalled in 1978, Carter brought Begin together with Egyptian president Anwar el-Sadat for a thirteen-day retreat at Camp David, Maryland.

The **Camp David Accords**, signed in September 1978, set the formal terms for peace in the region. Egypt became the first Arab country to recognize Israel’s right to exist, as the two nations established mutual diplomatic relations for the first time since the founding of Israel in 1948. In return, Egypt regained control of the Sinai Peninsula, including important oil fields and airfields. In 1979 Begin and Sadat shared the Nobel Prize for Peace.

But disappointment lay ahead. Carter staked his hopes for regional peace on the final achievement of statehood, or at least political autonomy, for Palestinians in a portion of their former lands now occupied by the Israelis. The accords specified that Israel would eventually return to its approximate borders of 1967. However, although Begin agreed to dismantle some Israeli settlements in the Sinai, the Israeli government continued to sponsor more and more Jewish settlements, expropriating Palestinian holdings. The final status of the Palestinians remained in limbo, as did that of Jerusalem, which many Christians and Muslims felt should be an autonomous holy city. Meanwhile Sadat grew increasingly isolated within the Arab world. In 1981 he was assassinated by Islamic fundamentalists.

Carter scored his biggest moral victory in foreign affairs by paving the way for Panama to assume the ownership, operation, and defense of the Panama Canal Zone. Negotiations with Panama had begun during Johnson’s administration, following riots by Panamanians against U.S. territorial rule in their country. Carter pressured the Senate to ratify new treaties in 1978 (by a vote of 68 to 32) that would turn the Panama Canal over to Panama by the year 2000.

But when it came to nations considered vital to U.S. interests, such as South Korea, the Philippines, and El Salvador, Carter put aside his principles to stabilize repressive regimes and dictatorships. In restoring diplomatic relations with the People’s Republic of China in January 1979, Carter likewise overlooked the regular imprisonment of dissidents. “The real problem,” a U.S. diplomat observed, was that human rights was “not a policy but an attitude.”

**Handling the Unexpected**

Mired in problems inherited from his predecessors, Carter often found himself disoriented by contradictory advice. Carter’s secretary of state Cyrus Vance recommended well-planned negotiations to soothe Soviet–U.S. relations and resolve disagreements with third world nations. But national security adviser Zbigniew Brzezinski, a bitterly anti-Communist Polish exile, adhered to cold war policies and interpreted events in even remote sections of Africa or South America as plays in a zero-sum game: wherever the United States lost influence, the Soviet Union gained, and vice versa. Despite Carter’s commitment to human rights, he allowed U.S. policy to resume cold war postures.

In 1979 the overthrow of the brutal Nicaraguan dictatorship of Anastasio Somoza, long-time ally of the United States, left Carter without a successor to support. When the new Sandinista revolutionary government pleaded for help, Congress turned down Carter’s request for $75 million in aid to Nicaragua. Meanwhile, in El Salvador, the Carter administration continued to back a repressive government even after the assassination of Oscar Romero, a Catholic archbishop and opposition leader.
Following the rape and murder of four U.S. Catholic Church women, apparently by the ultraright Salvadoran armed forces trained in the United States, peace activists and other Americans pleaded with Carter to withhold further military aid. Conservatives meanwhile demanded yet more funds to bolster the repressive anti-Communist regime.

African nations vacillated between allying with the United States and courting the Soviet Union. In this tricky political territory, UN ambassador (and former civil rights leader) Andrew Young, the first major African American diplomat assigned to Africa, could not persuade Carter to recognize the antiapartheid government of Angola, which had invited 20,000 Cuban troops to help in its fight against South African-backed rebels. Nor did Carter’s and Young’s verbal criticisms of the South African regime, unaccompanied by economic sanctions, satisfy black Africans.

After Carter fired Young for having met secretly with officials of the Palestine Liberation Organization (PLO), the president proved even less effective in negotiating with antiapartheid leaders.

The Soviet invasion of Afghanistan produced a major stalemate. In December 1979, 30,000 Soviet troops invaded their neighbor to put down a revolt by Islamic fundamentalists against the weakening Soviet-backed government. The invasion succeeded mainly in heating up the civil war, which the American press quickly labeled the “Russian Vietnam.” As the war bogged down, Americans heard familiar stories, this time of Soviet soldiers using drugs and expressing disillusionment with their government.

President Carter responded to these events with his own corollary to the Monroe Doctrine. The so-called Carter Doctrine asserted the determination of the United States to protect its interests in yet another area of the world, the Persian Gulf. Carter acted on the advice of Brzezinski, who believed that the Soviet Union would soon try to secure for itself a warm-water port on the gulf, an area rich in oil and now vital to U.S. interests. The president backed up his increasingly hard-line policies by halting exports of grain and high technology to the Soviet Union, supporting Afghani resistance against the Russians, and by canceling American participation in the 1980 Moscow Olympics.

By the end of Carter’s term, conservatives had swamped liberals within the Democratic Party. With the economy still hurting from the effects of cold war spending, Carter called for ever-larger increases in the military budget. He also signed Presidential Directive 59, guaranteeing the production of weapons alleged necessary to win a prolonged nuclear war. The prospect of peace and détente dried up.

**The Iran Hostage Crisis**

On November 4, 1979, Iranian fundamentalists seized the U.S. embassy in Tehran and held fifty-two American employees hostage for 444 days. This event made President Carter’s previous problems seem small by comparison.

For decades, U.S. foreign policy in the Middle East had depended on a friendly government in Iran. After the CIA had helped to overthrow the reformist, constitutional government and installed the Pahlavi royal family and the shah of Iran in 1953, millions of U.S. dollars had poured into the Iranian economy and the shah’s armed forces. President Carter had toasted the shah for his “great leadership” and overlooked the rampant corruption in government and a well-organized opposition. But,
by early 1979, a revolution led by Islamic fundamentalist Ayatollah Ruhollah Khomeini had overthrown the shah.

After Carter had allowed the deposed Reza Shah Pahlavi to enter the United States for medical treatment, a group of Khomeini’s followers retaliated, storming the U.S. embassy and taking the American staff as hostages.

Cyrus Vance assured Carter that only negotiations could free the Americans. Caught up in a reelection campaign and lobbied by Brzezinski for decisive action, Carter ordered U.S. military forces to stage a nighttime helicopter rescue mission. But a sandstorm caused some of the aircraft to crash and burn, leaving eight Americans dead, their burned corpses displayed by the enraged Iranians. Short of an all-out attack, which surely would have resulted in the hostages’ death, Carter had used up his options.

The political and economic fallout was heavy. Cyrus Vance resigned, the first secretary of state in sixty-five years to leave office over a political difference with the president. The price of oil rose by 60 percent. Carter had failed in the one area he had proclaimed central to the future of the United States: energy. He had also violated his own human rights policy, which was intended to be his distinctive mark on American foreign affairs.

The 1980 Election

By 1979 inflation once again soared, and it was clear that Carter’s program for economic recovery had failed. In July, with Vice President Walter Mondale increasingly opposed to his policies and toying with the idea of resigning from office, Carter withdrew with his staff to Camp David to reassess priorities. In his first public speech after the retreat, the president announced that the nation was experiencing a “crisis of confidence,” and he called upon the people to change their attitude, to stop wallowing in personal problems, and to show more faith in their leaders.

Carter’s “malaise speech,” as it was called—although Carter never actually used the term “malaise”—backfired. Many Americans resented the president for heaping blame on the public instead of taking responsibility for his own failures. News analysts now attacked Carter with zeal, breaking stories of minor scandals in his administration and ridiculing the president in various ways. His prospects for reelection therefore appeared to rest on his conduct of international affairs. If he only could put his human rights policy on a firm ground, move toward lasting peace in the Middle East, or strike a bargain with the Soviets on arms limitation, he might restore voter confidence. If not, his presidency would end after a single term.

Ultimately, Carter’s bid for renomination depended more on his incumbency than on his popularity. Delegates at the Democratic National Convention enthusiastically endorsed Carter along with Mondale. On the Republican side, former California governor Ronald Reagan had been building his campaign since his near nomination in 1976. Former CIA director and Texas oil executive George H. W. Bush, more moderate than Reagan, became the Republican candidate for vice president. The Moral Majority placed itself squarely in Reagan’s camp, and Senator Jesse Helms’s Congressional Club contributed $4.6 million to the campaign.

Reagan repeatedly asked voters, “Are you better off now than you were four years ago?” Although critics questioned Reagan’s competence, the attractive, soft-spoken actor shrugged off criticisms while spotlighting the many problems besetting the country.

The Republican ticket cruised to victory. Carter won only 41.2 percent of the popular vote to Reagan’s 50.9 percent, 49 votes in the Electoral College to Reagan’s 489. The Republicans won control of the Senate for the first time since 1952 and with the
largest majority since 1928. Still, barely half of the eligible voters turned out in the 1980 election, bringing Ronald Reagan into office with a mandate of a thin 25 percent.

**Reagan Revolution**

No other twentieth-century president except Franklin D. Roosevelt left as deep a personal imprint on American politics as Ronald Reagan. Ironically, Reagan himself began his political life as an ardent New Deal Democrat who admired Roosevelt as an inspirational leader. But by the time he entered the White House in 1981, shortly before his seventieth birthday, Reagan had rejected the activist welfare state legacy of the New Deal era. Following his overwhelming electoral victories in 1980 and 1984, Reagan and his allies tried to reshape the political and social landscape of the nation along conservative lines and rolled back the federal government’s support of women’s rights and civil rights (see Map 30-4).

**The Great Communicator**

Ronald Reagan was born in 1911 and raised in the small town of Dixon, Illinois. His father, who worked in sales, was an alcoholic who had a tough time holding a job. His mother was a fundamentalist Christian who kept the family together despite frequent moves and encouraged her son to act in church plays and, later, in college productions.

In 1937 Reagan embarked on a Hollywood acting career that would last for a quarter-century. Although never a big star, on screen he appeared tall, handsome, and affable. In later years, he credited his political success to his acting experience. He told one interviewer: “An actor knows two important things—to be honest in what he’s doing and to be in touch with the audience. That’s not bad advice for a politician either.”

While serving as president of the Screen Actors Guild from 1947 to 1952, Reagan began to distance himself from New Deal liberalism by becoming a leader of the anti-Communist forces in Hollywood. In 1954 he became the host of a new national television program, General Electric Theater, and began a long stint as a national promoter for GE. In this role he made numerous speeches celebrating the achievements of corporate America and emphasizing the dangers of excessive liberalism and radical trade unions.

Reagan switched his party affiliation to the Republicans and became a successful fund-raiser and popular speaker for the California GOP. After playing a leading role in Republican Barry Goldwater’s 1964 presidential campaign, and with the financial backing of a group of wealthy conservatives, he entered the race for governor of California. In 1966 he defeated Democratic governor Edmund G. Brown and won reelection in 1970. As governor, Reagan cut the state welfare rolls, placed limits on the number of state employees, and funneled a large share of state tax revenues back to local governments. He vigorously attacked student protesters and black militants, thereby tapping into the conservative backlash against the activism of the 1960s.

When Reagan entered the White House in January 1981, his supporters confidently predicted that the “Reagan revolution” would usher in a new age in American political life. Despite his narrow margin of victory, they interpreted his election as a popular mandate for the conservatism that had been growing since Nixon took office.

**WHAT WERE** the central philosophical assumptions behind Reaganomics and the key policies by which it was implemented?

**WHAT ATTRACTION** many Democratic voters to Ronald Reagan?
Reaganomics

“The Republican program for solving economic problems,” Reagan announced, “is based on growth and productivity.” During his presidency, he sought to revitalize the American economy by a strategy, dubbed Reaganomics, that was based on supply-side economic theory. In lashing out at a growing bureaucracy in government and simultaneously celebrating the achievement of entrepreneurs unfettered by government regulation or aid, his administration broke sharply with the Keynesian policies that had been dominant since the New Deal era (see Chapter 24).

Keynesians traditionally favored moderate tax cuts and increases in government spending to stimulate the economy and reduce unemployment during recessions. By putting more money in people’s pockets, they argued, greater consumer demand would lead to economic expansion. By contrast, supply-siders emphasized productivity and sought plans to raise it. They also abhorred big government, calling for simultaneous tax cuts and reductions in public spending. This combination—which Reagan himself described as simple “common sense”—would give private entrepreneurs and investors greater incentives to start businesses, take risks, invest capital, and thereby create new wealth and jobs. Whatever revenues were lost in lower tax rates would be offset by revenue from new economic growth. At the same time, spending cuts would keep the federal deficit under control and thereby keep interest rates down.

George Gilder, conservative author of the best-selling Wealth and Poverty (1981), summarized the supply-side view: “A successful economy depends on the proliferation of the rich.” On the political level, supply-siders looked to reward the most loyal Republican constituencies: the affluent and the business community. At the same time, they hoped to reduce the flow of federal dollars received by two core Democratic constituencies: the recipients and professional providers of health and welfare programs.

Reagan quickly won bipartisan approval for two key pieces of legislation that culminated in the largest tax cut in the nation’s history. The Economic Recovery Tax Act of 1981 lowered income and corporate taxes by $747 billion over five years. For individuals, the act cut taxes across the board. It also reduced the maximum tax on all income from 70 percent to 50 percent, lowered the maximum capital gains tax—the tax paid on profitable investments—from 28 percent to 20 percent, and eliminated the distinction between earned and unearned income. This last measure proved a boon to the small, richest fraction of the population that derives most of its income from rent, dividends, and interest instead of from wages.

With the help of conservative southern and western Democrats in the House, the administration also pushed through a comprehensive program of spending cuts, awkwardly known as the Omnibus Reconciliation Act of 1981. This bill mandated cuts of $136 billion in federal spending for the period 1982–1984, affecting more than 200 social and cultural programs. The hardest-hit areas included federal appropriations for education, the environment, health, housing, urban aid, food stamps, research on synthetic fuels, and the arts. The conservative coalition in the House allowed only one vote on the entire package of spending cuts, a strategy that allowed...
conservatives to slash appropriations for a wide variety of domestic programs in one fell swoop.

While reducing spending on domestic programs, the Reagan administration greatly increased the defense budget. During the 1980 election campaign, Reagan’s calls to “restore America’s defenses” helped reinforce the public perception that President Carter had dealt ineffectively with the Iran hostage crisis. Once in office he greatly accelerated a trend already under way during the last two years of the Carter presidency: a sharp increase in defense spending. Overall, the Reagan budgets for the military buildup totaled nearly $2 trillion and indicated a significant shift in federal budget priorities under his administration.

Meanwhile, the Reagan administration created a chilly atmosphere for organized labor. In the summer of 1981, some 13,000 federal employees, all members of the Professional Air Traffic Controllers Organization (PATCO), went on strike. The president retaliated against the strikers by firing them, and the Federal Aviation Administration started a crash program to replace them. Conservative appointees to the National Labor Relations Board and the federal courts toughened its antiunion position. The militantly antilabor mood in Washington, combined with the continuing decline of the nation’s manufacturing infrastructure, kept trade unions on the defensive. By 1990 fewer than 15 percent of American workers belonged to a labor union, the lowest proportion since before World War II.

Reagan appointed conservatives to head the Environmental Protection Agency, the Occupational Safety and Health Administration, and the Consumer Product Safety Commission. These individuals abolished or weakened hundreds of rules governing environmental protection, workplace safety, and consumer protection, all in the interest of increasing the efficiency and productivity of business. The deregulatory fever dominated cabinet departments as well. Secretary of the Interior James Watt opened up formerly protected wilderness areas and wetlands to private developers. Secretary of Transportation Andrew L. “Drew” Lewis Jr. eliminated regulations passed in the 1970s aimed at reducing air pollution and improving fuel efficiency in cars and trucks.

Following the tenets of supply-side economics, the Reagan administration weakened the Antitrust Division of the Justice Department, the Securities and Exchange Commission, and the Federal Home Loan Bank Board. Large corporations, Wall Street stock brokerages, investment banking houses, and the savings and loan industry were all allowed to operate with a much freer hand than ever before. The appointment of Alan Greenspan in 1987 as Chairman of the United States Federal Reserve, to succeed Carter appointee Paul Volcker, greatly encouraged trends toward the dominance of speculation in market trading. By the late 1980s, the unfortunate consequences of this freedom would become apparent in a series of unprecedented scandals in the nation’s financial and banking industries.

The Election of 1984

As the 1984 election approached, many Americans expressed doubts about the Reagan administration’s defense initiatives. Polls showed that more than 70 percent of Americans favored a nuclear freeze with the Soviet Union. In June 1982, three-quarters of a million people—the largest political rally in American history—demonstrated in New York City for a halt to spending on and deployment of nuclear weapons. Many observers noted that Reagan also appeared politically vulnerable for his economic policies and cutbacks in social programs.

Hoping to win back disgruntled voters, Democrats chose Carter’s vice president, Walter Mondale, as their nominee. As a former senator from Minnesota, Mondale had close ties with the party’s liberal establishment and also the support of its more military-minded wing. At the Democratic National Convention, Mondale
named Representative Geraldine Ferraro of New York as his running mate, a first for women in American politics. Charismatic speakers such as the Reverend Jesse Jackson, a dynamic disciple of Martin Luther King Jr., and Governor Mario Cuomo of New York stirred the delegates and many television viewers with their appeals to compassion, fairness, and brotherhood.

Opinion polls showed Mondale running even with Reagan. But the president’s enormous personal popularity, along with the booming economy, overwhelmed the Democratic ticket. While Mondale emphasized the growing deficit and called attention to Americans who were left out of prosperity, Reagan cruised above it all. It was “morning again in America,” his campaign ads claimed. He offered the voters a choice between a Democratic “government of pessimism, fear, and limits” or his own, based on “hope, confidence, and growth.” In one of the biggest landslides in American history, Reagan won 59 percent of the popular vote and carried every state but Minnesota and the District of Columbia. A majority of blue-collar voters cast their ballots for the president, as did 54 percent of women, despite Ferraro’s presence on the Democratic ticket.

**Recession, Recovery, Fiscal Crisis**

Over the course of his two terms in office, Reagan’s economic policies had mixed results. In 1982 a severe recession, the worst since the 1930s, gripped the nation. The official unemployment rate reached nearly 11 percent, or more than 11.5 million people. Another 3 million had been out of work so long they no longer actively looked for jobs and therefore were not counted in official statistics. But by the middle of 1983 the economy had begun to recover, and unemployment dropped to about 8 percent while inflation fell below 5 percent. The stock market boomed, pushing the Dow Jones industrial average from 776 in August 1982 to an all-time high of 2,722 in August 1987. The administration took credit for the turnaround, hailing the supply-side fiscal policies that had drastically cut taxes and domestic spending. But critics pointed to other factors: the Federal Reserve Board’s tight-money policies, an energy resource glut and a consequent sharp drop in energy prices, and the billions of dollars pumped into the economy for defense spending.

Few doubted, however, that the supply-side formula intensified an ominous fiscal crisis. Although President Reagan had promised to balance the federal budget, his policies had the opposite effect. The national debt tripled, growing from $914 billion in 1980 to over $2.7 trillion in 1989, more than the federal government had accumulated in its entire previous history. Expenditures for paying just the interest on the national debt reached 14 percent of the annual budget in 1988, double the percentage set aside for that purpose in 1974.

In the Reagan years the fiscal crisis became a structural problem with newly disturbing and perhaps permanent implications for the American economy. Big deficits kept interest rates high, as the government drove up the cost of borrowing the money it needed to pay its own bills. Foreign investors, attracted by high interest rates on government securities, pushed up the value of the dollar in relation to foreign currencies. The overvalued dollar made it difficult for foreigners to buy American products, while making overseas
goods cheaper to American consumers. Basic American industries—steel, autos, textiles—thus found it difficult to compete abroad and at home. In 1980, the United States still enjoyed a trade surplus of $166 billion. By 1987 the nation had an indebtedness to foreigners of $340 billion. Since World War I, the United States had been the world’s leading creditor; in the mid-1980s it became its biggest debtor. New York senator Daniel Patrick Moynihan referred to the deficit as "the first fact of national government."

Reaganomics also provided the backdrop for one of the biggest stock scandals in history. In late 1986, under investigation by the Securities and Exchange Commission (SEC), Ivan Boesky, one of the nation’s leading stock speculators, admitted to using confidential information about upcoming corporate takeovers to trade stocks illegally. Just two years earlier the dapper Boesky had made more than $100 million on just two deals. “Greed is all right,” he told a cheering University of California Business School audience in 1985. “Everybody should be a little bit greedy. . . . You shouldn’t feel guilty.” Once indicted, Boesky agreed to cooperate with SEC investigators and turned state’s evidence to inform on several other operators.

The biggest fish caught in their net was Michael Milken. An investment banker for Drexel Burnham Lambert, Milken perfected the art of corporate raiding through creative manipulation of debt. He showed how enormous profits could be earned from weak firms that were tempting targets for takeovers and mergers. Their debt could be used as tax write-offs; less efficient units could be sold off piecemeal; and more profitable units could be retained, merged, or sold again to form new entities. Instead of borrowing from banks, Milken financed his deals by underwriting high-yield, risky “junk bonds” for companies rated below investment grade. Investors in turn reaped huge profits by selling these junk bonds to hostile-takeover dealers.

Milken and other corporate raiders reshaped the financial world, setting off the greatest wave of buying and selling in American business history. Milken himself made a staggering $550 million in one year alone. Just before filing for bankruptcy in 1990, Drexel Burnham Lambert paid its executives $350 million in bonuses—almost as much as it owed its creditors. Milken was eventually convicted of insider trading and stock fraud and sentenced to ten years in prison. Critics pointed out that too frequently profits now depended more on debt manipulation and corporate restructuring rather than investment in research and development or the creation of new products. In 1987, the Hollywood film Wall Street dramatized this world of ruthless profiteering.

On Wall Street, the bull market of the 1980s ended abruptly in the fall of 1987. After reaching its new high of 2,722 at the end of August, the Dow Jones average of thirty leading industrial stocks began to slide downward and then crashed. On October 19, the Dow lost almost 23 percent of its value. The panic on the trading floors recalled the pandemonium set off by the stock market crash of 1929. Millions of Americans now feared that the 1987 crash would signal the onset of a great recession or even a depression.

Best of Times, Worst of Times

The celebration of wealth, moneymaking, and entrepreneurship dominated much of popular culture, politics, and intellectual life in the 1980s. But grimmer realities lay under the surface. A variety of measures strongly suggested that the nation had moved toward greater inequality, that the middle class was shrinking, and that poverty was on the rise. Analysts disagreed over the causes of these trends. No doubt some reflected structural changes in the American economy
and a rapidly changing global marketplace. After eight years of tax cuts, defense buildup, growing budget deficits, and record trade imbalances, the economic future looked uncertain at best. Two of the most cherished basic assumptions about America—that life would improve for most people and their children, and that membership in the comfortable middle class was available to all who worked for it—looked shaky by the end of the decade.

**The Celebration of Wealth**

The very wealthy did extremely well during the 1980s. In 1989, the richest 1 percent of American households accounted for 37 percent of the nation’s private wealth—up from 31 percent in 1983, a jump of almost 20 percent. This top 1 percent, consisting of 834,000 households with about $5.7 trillion of net worth, owned more than the bottom 90 percent of Americans, the remaining 84 million households, whose total net worth was about $4.8 trillion.

Other affluent Americans also made huge gains. In 1980 the top 5 percent of families earned 15.3 percent of the nation’s total income. By 1992 their share had grown to 17.6 percent, an increase of 15 percent; their average income was $156,000 a year. In 1980 the top 20 percent of families earned 41.6 percent of the nation’s total. By 1992 their share had grown to 44.6 percent, an increase of about 7 percent, with an average income of $99,000 a year. In contrast, the bottom 40 percent of families had 16.7 percent of aggregate income in 1980. By 1992 their share had declined to 14.9 percent, a drop of nearly 2 percent, with an average income of about $16,500 a year.

The theme of money, status, and power—the values embraced by the Reagan administration—dominated popular culture. The newly elected president himself set the tone when he responded to a reporter’s question asking him what was best about America. “What I want to see above all,” Reagan replied, “is that this remains a country where someone can always get rich.” Many thousands of Americans made fortunes in the expansive and lucrative sectors of the economy: stock trading, real estate, business services, defense contracting, and high-tech industries. A step below the new rich were the “yuppies,” who were defined by their upscale consumer behavior. Yuppies ate gourmet foods, wore designer clothes, drove expensive automobiles, and lived in “gentrified” neighborhoods.

Popular culture reflected and reinforced an obsession with getting rich and living well. Once again, novelist Tom Wolfe gave a name to the cultural phenomenon—“plutography,” which represented “graphic depictions of the acts of the rich.” Hit TV series like *Dallas* and *Dynasty* (and their imitators) focused on the family wars and business intrigues of oil tycoons and fashion queens. Shows such as *Lifestyles of the Rich and Famous* and *Entertainment Tonight* offered vicarious pleasures by taking viewers into the homes and on the shopping sprees of wealthy celebrities.

Tie-ins proliferated among films, television shows, advertising, newspapers and magazines, popular music, and politicians. A growing concentration of ownership among television networks, movie studios, publishers, and cable companies accelerated this trend. New media forms—the newspaper *USA Today*, the news channel Cable News Network (CNN), the weekly magazine *People*—intensified the national culture of celebrity. Demographic analysis created the most important “communities” in American life—communities of consumers, so that advertisers could define and target them to sell a product or provide a service (see Tables 30.1, 30.2, and 30.3).

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**TABLE 30.1 PERCENTAGE SHARE OF AGGREGATE FAMILY INCOME, 1980–92**

<table>
<thead>
<tr>
<th>Category</th>
<th>1980</th>
<th>1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5 Percent</td>
<td>15.3%</td>
<td>17.6%</td>
</tr>
<tr>
<td>Highest Fifth</td>
<td>41.6</td>
<td>44.6</td>
</tr>
<tr>
<td>Fourth Fifth</td>
<td>24.3</td>
<td>24.0</td>
</tr>
<tr>
<td>Third Fifth</td>
<td>17.5</td>
<td>16.5</td>
</tr>
<tr>
<td>Second Fifth</td>
<td>11.6</td>
<td>10.5</td>
</tr>
<tr>
<td>First Fifth</td>
<td>5.1</td>
<td>4.4</td>
</tr>
</tbody>
</table>

A Two-Tiered Society

During the 1960s, despite the diversion of federal funds to military spending during the Vietnam War, President Johnson’s Great Society had brought a higher standard of living to many Americans. By the time Carter took office in 1977, the sinking economy was undercutting these gains. Reagan’s supply-side policies enlivened the economy but at the same time widened the gap between rich and poor.

The number and percentage of Americans in poverty grew at an alarming rate. Since the mid-1970s, most of the new jobs clustered in low-paying service and manufacturing sectors and less than half of them paid more than the $11,611 poverty-level income for a family of four. In 1979 the government classified about 26.1 million people as poor, 11.7 percent of the total population; by 1992 the number of poor had reached 36.9 million, or 14.5 percent of the population, and nearly 22 percent of all American children under eighteen lived in poverty.

The widening gap between rich and poor was sharply defined by race. By 1992, 33 percent of all African Americans lived in poverty, as did 29 percent of Hispanics (the rate was especially high among Puerto Ricans, yet low among Cuban Americans). The gains achieved by the civil rights movement were steadily eroding. In 1954, the year of the *Brown v. Board of Education* decision, black families earned about 53 percent of the income of white families. This figure rose to 60 percent in 1969 and peaked at 62 percent in 1975. By 1979, black family income had fallen back to 57 percent and continued to slide during the next decade. Similarly, the number of African Americans attending college peaked in 1976 at 9.3 percent of the black population, a 500 percent increase over the 1960 average.

The majority of African Americans, six out of ten, lived in central cities with high unemployment rates, and the bleak prospects took a toll especially on the young. A black child was twice as likely as a white child to die before reaching the first birthday and four times more likely to be killed between the ages of one and four. Among black teenagers, the unemployment rate topped 40 percent; the few jobs available to them were among the lowest-paid in the economy. Meanwhile, the high school dropout rate skyrocketed, and the number of serious crimes, such as burglary, car theft, and murder, perpetrated by children between the ages of ten and seventeen increased at an alarming rate.

The gap between rich and poor also increased within the African American community. While the poor stayed behind in increasingly segregated urban neighborhoods, nearly 45 percent of black families managed to achieve middle-class status by the mid-1970s. This trend dramatically affected the black community. Until the 1970s the majority of African Americans had held to common residential neighborhoods, institutions, and political outlooks. By the end of the decade, growing income and residential disparity, which widened faster among black people than among white people, produced sharp differences among African Americans on social, economic, and political issues.

Moreover, opportunities for advancement into the middle class were dwindling. By 1980 fewer black students attended integrated schools than in 1954, except in the South, where about half the black students did. The turnabout resulted in part from increasing opposition by white parents to court-ordered school busing, which had served since *Brown v. Board of Education* as the principal means of achieving racial
balance in urban school systems. In 1975 a major clash between local white residents and black parents and their children occurred in Boston when a federally mandated busing plan was put into operation. During the 1980s the busing controversy nearly disappeared because federal judges hesitated to mandate such programs. But more important was the change in the racial composition of American cities. As a consequence of “white flight” to the suburbs, big-city school systems were serving mainly African American and Latino children, making the issue of integration moot. By this time, the dropout rate of black teenagers had reached 50 percent in inner-city schools (see Tables 30.4, 30.5 and 30.6).

New legal rulings closed off important routes to employment in the professions. A 1978 U.S. Supreme Court decision dealt a sharp blow to affirmative action. To ensure acceptance of a minimum number of minority students, the University of California at Davis Medical School had established a quota system under affirmative action guidelines. In 1973 and 1974 the school denied admission to Allan Bakke, a white student. Bakke sued the university for “reverse discrimination,” claiming his academic record was better than that of the sixteen minority students who were admitted. The U.S. Supreme Court handed down a five-to-four decision on June 18, 1978, stating that the use of an “explicit racial classification” in situations where no earlier discrimination had been demonstrated violated the equal protection clause of the Fourteenth Amendment. The Court ordered the University of California to admit Bakke to its medical school. During the 1980s, therefore, affirmative action programs could operate only when “a legacy of unequal treatment” could be proved.

**The Feminization of Poverty**

Despite a growing rate of labor force participation, the majority of women gainfully employed earned less than a living wage. Even if employed, women usually lost ground following a divorce, especially as new no-fault divorce laws lowered or eradicated alimony. Moreover, the majority of men defaulted on child-support payments within one year after separation. Whereas divorced men enjoyed a sizable increase in their standard of living, divorced women suffered a formidable decline. During the 1970s alone, the number of poor families headed by women increased nearly 70 percent.

A sharp rise in teenage pregnancy reinforced this pattern. Many of these mothers were too young to have gained either the education or skills to secure jobs that would pay enough to support themselves and their children. Even with Aid to Families with Dependent Children (AFDC) payments and food stamps, it was impossible for these single mothers to keep their families above the poverty line. By 1992, female-headed households, comprising 13.7 million people, accounted for 37 percent of...
the poor. African American and Latino women and their children had by far the highest poverty rates.

Moreover, political mobilization for protecting the rights of poor women was at a low ebb. Since its founding in 1967, the National Welfare Rights Organization (NWRO), led by African American women, had spearheaded a campaign to enable welfare recipients to have a voice in policy decisions. They demanded adequate day-care facilities and job-training programs and insisted on the legitimacy of female-headed households. NWRO activists occasionally staged sit-ins at welfare agencies to secure benefits for their members. More often, they informed poor women of their existing rights and encouraged them to apply for benefits. In 1975, NWRO, exhausted from fighting cutbacks in the federal welfare system, filed for bankruptcy.

**Epidemics: Drugs, AIDS, Homelessness**

Drug addiction and drug trafficking took on frightening new dimensions in the early 1980s. The arrival of “crack,” a cheap, smokable, and highly addictive form of cocaine, made that drug affordable to the urban poor. As crack addiction spread, the drug trade assumed alarming new proportions both domestically and internationally. Crack ruined hundreds of thousands of lives and led to a dramatic increase in crime rates. Studies showed that over half the men arrested in the nation’s largest cities tested positive for cocaine. The crack trade spawned a new generation of young drug dealers who were willing to risk jail and death for enormous profits. In city after city, drug wars over turf took the lives of dealers and innocents, both caught in the escalating violence.

By the end of the 1980s, opinion polls revealed that Americans identified drugs as the nation’s number one problem. The Reagan administration declared a highly publicized “war on drugs,” a multibillion-dollar campaign to bring the traffic under control. Critics charged that the war on drugs focused on supply from abroad when it needed to look at demand here at home. They urged more federal money for drug education, treatment, and rehabilitation. Drug addiction and drug use, they argued, were primarily health problems, not law enforcement issues.

In 1981 doctors in Los Angeles, San Francisco, and New York began encountering a puzzling new medical phenomenon. Young homosexual men were dying suddenly from rare types of pneumonia and cancer. The underlying cause was found to be a mysterious new viral disease that destroyed the body’s natural defenses against illness, making its victims susceptible to a host of opportunistic infections. Researchers at the Centers for Disease Control (CDC) in Atlanta called the new disease **Acquired Immune Deficiency Syndrome (AIDS)**. The virus that causes AIDS is transmitted primarily in semen and blood. Full-blown AIDS might not appear for years after initial exposure to the virus. Thus one could infect others without knowing one had the disease. Although tests emerged to determine whether one carried HIV, there was no cure. The majority of early AIDS victims were homosexual men who had been infected through sexual contact. Many Americans thus perceived AIDS as a disease of homosexuals. But other victims became infected through intravenous drug use, blood transfusions, heterosexual transmission, or birth to AIDS-carrying mothers. By 1990 nearly 160,000 Americans had contracted the disease, and nearly 100,000 had died from it.
AIDS provoked fear, anguish, and anger. It also brought an upsurge of organization and political involvement. In city after city, the gay community responded to the AIDS crisis with energy and determination. Most gay men changed their sexual habits, practicing “safe sex” to lessen the chances of infection. The Reagan administration, playing to anti-homosexual prejudices, largely ignored the epidemic. One important exception was Surgeon General C. Everett Koop, who urged a comprehensive sex education program in the nation’s schools.

Homelessness emerged as a chronic social problem during the 1980s. Often disoriented, shoeless, and forlorn, growing numbers of street people slept over heating grates, on subways, and in parks. Homeless people wandered city sidewalks panhandling and struggling to find scraps of food. Winters proved especially difficult. In the early 1980s, the Department of Housing and Urban Development placed the number of the nation’s homeless at between 250,000 and 350,000. But advocates for the homeless estimated that the number was as high as 3 million.

Who were the homeless? Analysts agreed that at least a third were mental patients who had been discharged from psychiatric hospitals amid the deinstitutionalization trend of the 1970s. Many more were alcoholics and drug addicts unable to hold jobs. But the ranks of the homeless also included female-headed families, battered women, Vietnam veterans, AIDS victims, and elderly people with no place to go. Some critics pointed to the decline in decent housing for poor people and the deterioration of the nation’s health-care system as a cause of homelessness. Some communities made strong efforts to place their homeless residents in city-run shelters, but violence and theft in the shelters scared away many people. No matter how large and what its components, the permanent class of American homeless reflected the desperate situation of America’s poor.

Reagan’s Foreign Policy

Throughout his presidency, Reagan campaigned to restore American leadership in world affairs. He revived cold war patriotism and championed American interventionism in the third world, especially in the Caribbean and Central America. His infusion of funds into national security programs would have enormous consequences for the domestic economy as well as for America’s international stance. Yet along with its hard-line exhortations against the Soviet Union and international terrorism, the Reagan administration also pursued a less ideological, more pragmatic approach in key foreign policy decisions. Most important, sweeping and unanticipated internal changes within the Soviet Union made the entire cold war framework of American foreign policy largely irrelevant by the late 1980s.

The Evil Empire

In the early 1980s, the Reagan administration made vigorous anti-Communist rhetoric the centerpiece of its foreign policy. In a sharp turn from President Nixon’s pursuit of détente and President Carter’s focus on human rights, Reagan described the Soviet Union as “an evil empire . . . the focus of evil in the modern world.”
The Reagan administration believed that all problems throughout Central America stemmed from Fidel Castro’s Soviet-directed influence and required a military solution. In October 1983, the Reagan administration directed U.S. Marines to invade Grenada, claiming that the tiny island had become a base for the Cuban military and posed a dangerous threat to the hemisphere. In El Salvador, the Reagan administration continued to support the repressive regime. By 1983, right-wing death squads had tortured and assassinated thousands of opposition leaders. The 1984 election of centrist president José Napoleón Duarte failed to end the bloody civil war. U.S. officials accused the Sandinistas of shipping arms to antigovernment rebels in El Salvador. In December 1981, Reagan approved a $19 million CIA plan arming and organizing Nicaraguan exiles, known as Contras, to fight against the Sandinista government. As Reagan escalated this undeclared war, the aim became not merely to cut the Nicaraguan regime, had tortured and assassinated thousands of opposition leaders. The election of centrist president José Napoleón Duarte failed to end the bloody civil war. U.S. officials accused the Sandinistas of shipping arms to antigovernment rebels in El Salvador. In December 1981, Reagan approved a $19 million CIA plan arming and organizing Nicaraguan exiles, known as Contras, to fight against the Sandinista government. As Reagan escalated this undeclared war, the aim became not merely to cut the Nicaraguan regime itself.

In 1984, the CIA secretly mined Nicaraguan harbors. When Nicaragua won a judgment against the United States in the World Court over this violation of its sovereignty, the Reagan administration refused to recognize the court’s jurisdiction in the case and ignored the verdict. Predictably, the U.S. covert war pushed the Sandinistas closer to Cuba and the Soviet bloc. Meanwhile, U.S. grassroots opposition to Contra aid grew more vocal and widespread.

**Map 30-5**

The Reagan administration believed that all problems throughout Central America stemmed from Fidel Castro’s Soviet-directed influence and required a military solution. In October 1983, the Reagan administration directed U.S. Marines to invade Grenada, claiming that the tiny island had become a base for the Cuban military and posed a dangerous threat to the hemisphere. In El Salvador, the Reagan administration continued to support the repressive regime. By 1983, right-wing death squads had tortured and assassinated thousands of opposition leaders. The 1984 election of centrist president José Napoleón Duarte failed to end the bloody civil war. U.S. officials accused the Sandinistas of shipping arms to antigovernment rebels in El Salvador. In December 1981, Reagan approved a $19 million CIA plan arming and organizing Nicaraguan exiles, known as Contras, to fight against the Sandinista government. As Reagan escalated this undeclared war, the aim became not merely to cut the Nicaraguan regime itself.

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**Strategic Defense Initiative (SDI)**

President Reagan’s program, announced in 1983, to defend the United States against nuclear missile attack with untested weapons systems and sophisticated technologies.

**Contras**

Nicaraguan exiles armed and organized by the CIA to fight the Sandinista government of Nicaragua.

Administration officials argued that during the 1970s the nation’s military strength had fallen dangerously behind that of the Soviet Union. Critics disputed this assertion, pointing out that the Soviet advantage in intercontinental ballistic missiles (ICBMs) was offset by American superiority in submarine-based forces and strategic aircraft. Nonetheless, the administration proceeded with plans to enlarge America’s nuclear strike force.

In 1983 President Reagan introduced an unsettling new element into superpower relations when he presented his Strategic Defense Initiative (SDI), the plan for a space-based ballistic-missile defense system that journalists dubbed “Star Wars,” after the popular Hollywood film series. This proposal for a five-year $26 billion program promised to give the United States the capacity to shoot down incoming missiles with laser beams and homing rockets. To critics, the plan seemed unworkable, impossibly expensive, and likely to destabilize existing arms treaties. The Reagan administration pressed ahead, spending $17 billion in research before the president left office—without achieving any convincing results. Nevertheless, the Soviets viewed the SDI as an offensive strategy to ensure a first-strike advantage to the United States. The prospect of meaningful arms control dimmed in this atmosphere, and U.S.–Soviet relations deteriorated.

**The Reagan Doctrine and Central America**

Declaring the “Vietnam syndrome” over, the president confidently reasserted America’s right to intervene anywhere in the world to fight Communist insurgency. The Reagan Doctrine, as this declaration was later called, assumed that all political instability in the third world resulted not from indigenous factors such as poverty or corruption but from the pernicious influence of the Soviet Union. It found its most important expression in Central America, where the United States hoped to reestablish its historical control over the Caribbean basin (see Map 30-5).

The Reagan administration believed that all problems throughout Central America stemmed from Fidel Castro’s Soviet directed, armed, and financed marauders” and required a military solution. Between 1980 and 1983 the United States poured more military aid into Central America than it had during the previous thirty years. In October 1983, the administration directed American marines to invade Grenada, claiming that the tiny island had become a base for the Cuban military and therefore posed a dangerous threat to the hemisphere. The easy triumph proved popular with most Grenadians and Americans. In the larger and more complicated nations of El Salvador and Nicaragua, this sort of unilateral military action proved politically and strategically more difficult to carry out.

In El Salvador, the Reagan administration continued to support the repressive regime. Military aid jumped from $6 million in 1980 to $82 million in 1982, and El Salvador received more U.S. economic assistance than any other Latin American country. By 1983 right-wing death squads, encouraged by military elements within the regime, had tortured and assassinated thousands of opposition leaders. The election in 1984 of centrist president José Napoleón Duarte failed to end the bloody civil war. Some 53,000 Salvadorans, more than one out of every hundred, lost their lives in the conflict.

In Nicaragua, the Reagan administration claimed that the revolutionary Sandinista government posed “an unusual and extraordinary threat to the national security.” U.S. officials accused the Sandinistas of shipping arms to antigovernment rebels in El Salvador. In December 1981, Reagan approved a $19 million CIA plan arming and organizing Nicaraguan exiles, known as Contras, to fight against the Sandinista government. As Reagan escalated this undeclared war, the aim became not
merely the cutting of Nicaraguan aid to Salvadoran rebels but the overthrow of the Sandinista regime itself.

In 1984 the CIA secretly mined Nicaraguan harbors. When Nicaragua won a judgment against the United States in the World Court over this violation of its sovereignty, the Reagan administration refused to recognize the court’s jurisdiction in the case and ignored the verdict. Predictably, the U.S. covert war pushed the Sandinistas closer to Cuba and the Soviet bloc. Meanwhile, U.S. grassroots opposition to Contra aid grew more vocal and widespread. A number of U.S. communities set up sister-city projects offering humanitarian and technical assistance to Nicaraguan communities. Scores of U.S. churches offered sanctuary to political refugees from Central America.

In 1984 Congress reined in the covert war by passing the Boland Amendment. Denied funding by Congress, President Reagan turned to the National Security Council to find a way to keep the Contra war going. Between 1984 and 1986, the NSC staff secretly assisted the Contras, raising $37 million in aid from foreign countries and private contributors. In 1987, the revelation of this unconstitutional scheme exploded before the public as part of the Iran-Contra affair.

Audio-Visual Aid, “War on Nicaragua”

MAP 30-5
The United States in Central America, 1978–90 U.S. intervention in Central America reached a new level of intensity with the so-called Reagan Doctrine. The bulk of U.S. aid came in the form of military support for the government of El Salvador and the Contra rebels in Nicaragua.

HOW DID U.S. involvement in Central America intensify during the Reagan Administration?
operations” in Nicaragua. Denied funding by Congress, President Reagan turned to the National Security Council to find a way to keep the Contra war going. Between 1984 and 1986, the NSC staff secretly assisted the Contras, raising $37 million in aid from foreign countries and private contributors, creating the largest mercenary army in hemispheric history. In 1987 the revelation of this unconstitutional scheme exploded before the public as part of the Iran-Contra affair, the most damaging political scandal of the Reagan years.

The Iran-Contra Scandal

In 1987 the revelations of the Iran-Contra affair laid bare the continuing contradictions and difficulties attending America’s role in world affairs. The affair also demonstrated how overzealous and secretive government officials subverted the Constitution and compromised presidential authority under the guise of patriotism (see Map 30-6).

The Middle East presented the Reagan administration with its most frustrating foreign policy dilemmas. Terrorist acts, including the seizing of western hostages and the bombing of commercial airplanes and cruise ships, redefined the politics of

Map 30-6

The Middle East presented the Reagan administration with its most frustrating foreign policy dilemmas. Terrorist acts, including the seizing of western hostages and the bombing of commercial airplanes and cruise ships, redefined the politics of the region. These were desperate attempts by small sects, many of them splinter groups associated with the Palestinian cause or Islamic fundamentalism, to inhibit U.S. support of Israel. However, the Reagan administration insisted that behind international terrorism lay the sinister influence and money of the Soviet bloc, the Ayatollah Khomeini of Iran, and Libyan leader Muammar el-Qaddafi. In the spring (cont'd)
the region. These were desperate attempts by small sects, many of them splinter groups associated with the Palestinian cause or Islamic fundamentalism, to inhibit U.S. support of Israel. However, the Reagan administration insisted that behind international terrorism lay the sinister influence and money of the Soviet bloc, the Ayatollah Khomeini of Iran, and Libyan leader Muammar el-Qaddafi. In the spring of 1986 the president, eager to demonstrate his antiterrorist resolve, ordered the bombing of Tripoli in a failed effort to kill Qaddafi.

As a fierce war between Iran and Iraq escalated, the administration tilted publicly toward Iraq to please the Arab states around the Persian Gulf. But in 1986 Reagan’s advisors began secret negotiations with the revolutionary Iranian government. They eventually offered to supply Iran with sophisticated weapons for use against Iraq in exchange for help in securing the release of Americans held hostage by radical Islamic groups in Lebanon.

Subsequent disclosures elevated the arms-for-hostages deal into a major scandal. Some of the money from the arms deal had been secretly diverted into covert aid for the Nicaraguan Contras. The American public soon learned the sordid details from investigative journalists and through televised congressional hearings held during the summer of 1987. In order to escape congressional oversight of the CIA, Reagan and CIA director William Casey had essentially turned the National Security Council, previously a policy-coordinating body, into an operational agency. Under the direction of National Security Advisers Robert McFarlane and later Admiral John Poindexter, the NSC had sold weapons and missiles to the Iranians, using Israel as a go-between. Millions of dollars from these sales were then given to the Contras in blatant and illegal disregard of the Boland Amendment.

In the televised congressional hearings, NSC staffer and marine lieutenant colonel Oliver North emerged as the figure running what he euphemistically referred to as “the Enterprise.” North defiantly defended his actions in the name of patriotism. Some Americans saw the handsome and dashing North as a hero; most were appalled by his and Poindexter’s blithe admissions that they had lied to Congress, shredded evidence, and refused to inform the president of details in order to guarantee his “plausible deniability.” A blue-ribbon commission concluded that Reagan himself “did not seem to be aware” of the policy or its consequences. But the report offered a stunning portrait of a president who was at best confused and far removed from critical policy-making responsibilities. Ultimately, the Iran-Contra investigation raised more questions than it answered. The full role of CIA director Casey, who died in 1987, particularly his relationships with North and the president, remained murky. The role of Vice President George H. W. Bush remained mysterious as well, and it would return as an issue in the 1992 presidential election. Both North and Poindexter were convicted of felonies, but their convictions were overturned by appeals courts on technical grounds. Reagan held fast to his plea of ignorance. When pressed on what had happened, he repeatedly claimed, “I’m still trying to find out.”

In December 1992, following his reelection defeat and six years after the scandal broke, President George H. W. Bush granted pardons to six key players in the Iran-Contra affair. The Bush pardons made it unlikely that the full truth about the arms-for-hostages affair would ever be known.

THE COLLAPSE OF COMMUNISM

Meanwhile, momentous political changes within the Soviet Union led ultimately to the end of the cold war itself. Soviet premier Leonid Brezhnev, in power since 1964, died toward the end of 1982. His successors, Yuri Andropov and Konstantin Chernenko, both died after brief terms in office. But in 1985 a new, reform-minded leader, Mikhail Gorbachev, won election as general secretary of the Soviet Communist Party. Although
a lifelong Communist, Gorbachev represented a new generation of disenchanted party members. He initiated a radical new program of economic and political reform under the rubrics of *glasnost* (openness) and *perestroika* (restructuring).

Gorbachev and his advisers opened up political discussion and encouraged criticism of the Soviet economy and political culture. The government released long-time dissidents like Andrei Sakharov from prison and took the first halting steps toward profit-based, private initiatives in the economy. This “new thinking” inspired an unprecedented wave of diverse, often critical perspectives in Soviet art, literature, journalism, and scholarship.

In Gorbachev’s view, improving the economic performance of the Soviet system depended first on halting the arms race. Over 10 percent of the Soviet GNP (gross national product) went to defense spending, while the majority of its citizens still struggled to find even the most basic consumer items in shops. Gorbachev thus took the lead to end the arms race with the United States. The historical ironies were stunning. Reagan had made militant anticommunism the centerpiece of his administration, but between 1985 and 1988 he had four separate summit meetings with the new Soviet leader. Although negotiations stalled over the Star Wars initiative, the two sides eventually agreed to a modest treaty that called for comprehensive, mutual, on-site inspections. The meetings provided an important psychological breakthrough. At one of the summits a Soviet leader humorously announced, “We are going to do something terrible to you Americans—we are going to deprive you of an enemy.”

Indeed, the reforms initiated by Gorbachev—and, more immediately, the failed Soviet war in Afghanistan—led to the dissolution of the Soviet Union and to the end of Communist rule throughout Eastern Europe. Beginning in June 1989, when Poland held its first free elections since the close of World War II in 1945, prodemocracy...
demonstrations forced out long-time Communist leaders in Hungary, Czechoslovakia, Bulgaria, and Romania. Most dramatic of all were the events in East Germany. The Berlin Wall, which for thirty years had loomed as the ultimate symbol of cold war division, came down on November 9, 1989. Hundreds of thousands of East Germans immediately rushed into West Berlin. Popular protest intensified, paving the way for German reunification the following year.

Political changes in the Soviet Union came more slowly, accompanied by such drastically reduced living standards that successful transition to a liberal market economy and democratic political system was uncertain. In March 1989 the Soviet Union held its first open elections since 1917, and a new Congress of People’s Deputies replaced the old Communist Party-dominated Supreme Soviet. In the next elections the following year, hundreds of party officials went down in defeat in key Russian cities. In August 1991 party hard-liners made a final attempt to hold on to the old order and staged a coup, placing President Gorbachev under house arrest. Although the coup quickly failed, most of the fifteen republics had meanwhile announced their withdrawal from the Soviet Union. Gorbachev found he could no longer control the government. On Christmas Day 1991 the weary and bitter president of the USSR resigned and recognized the new Commonwealth of Independent States.

The Soviet Union had dissolved, marking the end of the great superpower rivalry that had shaped American foreign policy and domestic politics for nearly a half-century. Reagan’s successor, President George H. W. Bush proclaimed the end of the cold war as an event of “biblical proportions.”
The Presidential Inauguration of Ronald Reagan

In 1977, Jimmy Carter held a “people’s inaugural.” He took the oath of office wearing a plain business suit and walked with his wife Rosalyn along the parade route.

On January 21, 1981, Ronald Reagan became the nation’s fortieth president wearing a formal black coat, striped pants, and black shoes and accompanied First Lady Nancy Reagan down the parade route in a limousine.

Everything about Reagan’s inauguration reflected what Nancy Reagan described as her aspiration to put the White House “symbolically back up on a hill in people’s minds, to have stature and loftiness.” The Reagans hired a public relations expert to ensure that every event was telecast. All the inaugural balls, concerts, and receptions were planned to entertain and astound at-home audiences. Festivities at the Washington, DC, balls were also beamed through a $2 million satellite hookup to “mini-balls” held simultaneously across the nation.

Reagan’s inauguration, touted by the press as the most expensive in U.S. history, showcased the theme the president-elect had chosen for his administration: “America—A New Beginning.” Not the belt-tightening, “homespun ways” of the Carter presidency, noted one reporter, but an unabashed celebration of wealth would prevail.

**WHY DID** the newly elected President Reagan choose to celebrate wealth? What had happened in the United States between the mid-1970s and the beginning of the 1980s to make such a display of wealth and power acceptable to the public?
CONCLUSION

The success of conservatives to halt and in some cases actually reverse key trends in American politics, from Franklin Roosevelt’s New Deal to Lyndon Johnson’s Great Society, was made possible by the legacy of the cold war and the trauma of defeat in Vietnam. But it also owed a great deal to a deepening anxiety of the public about cultural changes and a growing pessimism about the ability of politicians to offer solutions, especially at the national level. Those community activists struggling to extend the protest movements of the 1960s into an updated, comprehensive reformism encompassing such issues as feminism, ecology, and affirmative action readily recognized that the liberal era had ended.

President Ronald Reagan, a charismatic figure who sometimes invented his own past and seemed to believe in it, offered remedies for a weary and nostalgic nation. By insisting that the rebellious 1960s had been a terrible mistake, lowering national self-confidence along with public morals and faith in the power of economic individualism, he successfully wedded the conservatism of Christian fundamentalists, many suburbanites, and Sunbelt voters with the more traditional conservatism of corporate leaders. In many respects, the Reagan administration actually continued and added ideological fervor to the downscaling of government services and upscaling of military spending already evident under President Jimmy Carter, while offering supporters the hope of a sweeping conservative revolution.

In the end, critics suggested, supporters of Ronald Reagan and Reaganism could not go back to the 1950s—just as the erstwhile rebels of the 1960s could not go back to their favorite era. Economically, conservatives achieved many of their goals, including widespread acceptance of sharper economic divisions within society and fewer restraints on corporations and investments. But socially and culturally, their grasp was much less secure.

AP* DOCUMENT-BASED QUESTION

Directions: This exercise requires you to construct a valid essay that directly addresses the central issues of the following question. You will have to use facts from the documents provided and from the chapter to prove the position you take in your thesis statement.

The 1970s and 1980s was a period of economic, political, and social change within both U.S. domestic and foreign policy. Utilizing your knowledge of Presidents Carter and Reagan, evaluate the relative successes and failures of both presidents in regard to their handling of both policies. What impact did these policies have on their respective reelection campaigns?
Egyptian President Anwar Sadat met with President Carter at Camp David in February 1978, part of the long series of negotiations that Carter conducted leading up to the Camp David Accords between Sadat and Israeli Prime Minister Menachem Begin in 1979 (see photo on page 1108). This act of personal diplomacy by Carter was probably the proudest moment of his presidency. This success was later overshadowed by the events shown in the photo below. When a limited military assault against Iran failed with disastrous consequences and the burned bodies of American soldiers appeared on international television, Carter's prestige tumbled. Carter's seeming inability to deal with the Iranian hostage crisis would contribute toward his defeat by Ronald Reagan in the 1980 presidential campaign.

- Why were his successes so easily shadowed by the Iranian issue?
- What other foreign policy problems plagued Carter?
- How successful was he in dealing with the oil and energy problem that he had inherited from Nixon and Ford?
- Why was the Reagan quote: “Are you better off now than you were four years ago?” so effective against Carter in the 1980 election?
Document B

Examine the discussion on page 1099 of Jimmy Carter's campaign posture as a “Washington outsider.”

- Why would Carter's campaign promise that “I will never lie to you” prove to be an effective tool in defeating Gerald Ford?
- Why was Carter's status as a “born-again Christian” equally effective in winning the presidency?

Look at the chart on page 1099 listing states that fell into the electoral column of these candidates.

- What on this chart would help you answer those two questions?

Document C

If history teaches anything, it teaches self-delusion in the face of unpleasant facts is folly. We see around us today the marks of our terrible dilemma—predictions of doomsday, antinuclear demonstrations, an arms race in which the West must, for its own protection, be an unwilling participant. At the same time we see totalitarian forces in the world who seek subversion and conflict around the globe to further their barbarous assault on the human spirit. What, then, is our course? Must civilization perish in a hail of fiery atoms? Must freedom wither in a quiet, deadening accommodation with totalitarian evil?

—President Reagan, Speech to the House of Commons, June 8, 1982

This was what became known as Reagan's Evil Empire Speech. He is speaking in the same terms as all the Cold War presidents who had preceded him.

- What did Reagan see as the chief threat to the national security of the United States?
- What measures and actions did Reagan take to meet this threat?
- How did Reagan's actions and policies compare to previous Cold War era presidents?

Document D

Behind me stands a wall that encircles the free sectors of this city, part of a vast system of barriers that divides the entire continent of Europe. From the Baltic, south, those barriers cut across Germany in a gash of barbed wire, concrete, dog runs, and guard towers. . . .

General Secretary Gorbachev, if you seek peace, if you seek prosperity for the Soviet Union and Eastern Europe, if you seek liberalization: Come here to this gate! Mr. Gorbachev, open this gate! Mr. Gorbachev, tear down this wall!

—Ronald Reagan, Remarks at the Brandenburg Gate, West Berlin, Germany, June 12, 1987

Reagan is speaking at the same location that Kennedy had addressed the people of Germany years earlier. Examine Reagan’s 1982 Evil Empire Speech and this statement.

- Does Reagan echo the same messages of earlier Cold War presidents about the threat of the danger of world communism?
- Were his positions on defense spending, Star Wars projects, and the threat of communism in the Western Hemisphere the same as Eisenhower’s concerns over the ‘Domino Theory’ and Johnson’s determined stand against communism in Vietnam?
• Why the Reagan administration was drawn into the involvement with the Contras (Document E)
• The significance of the tearing down of the Berlin Wall in November 1989 and how it changed American national security concerns (Image p. 1126 and Document F)
• The long-term threats that disappeared in the late 1980s and allowed the reunification of East and West Germany (Document F)

Document E
Look at the maps on pages 1123 and 1124.

- Why was Reagan so concerned about the spread of communism, not just in the Western Hemisphere, but in the Middle East as well? Did this affect his decisions concerning defense spending?
- What was the purpose of Star Wars (SDI)?
- Why was the Reagan administration drawn into the involvement with the Contras?

Document F
Examine the photograph on page 1126 of Germans demonstrating upon and tearing down the Berlin Wall in November 1989.

- What did this event signify in terms of changes to American national security concerns?
- What long-term threats had disappeared that made this change possible?
- Why did those threats disappear?

AP* PREP TEST

Select the response that best answers each question or best completes each sentence.

1. During the 1970s:
   a. Americans were more optimistic about their economic futures than at any time since the Great Depression.
   b. Presidents Gerald Ford and Jimmy Carter successfully restored the health of the American economy.
   c. the American economy suffered from deflation and a shortage of skilled American workers.
   d. the United States suffered from high unemployment, but inflation was not a major concern for Americans.
   e. the United States faced a critical situation as economic indicators fell behind those of Europe and Japan.

2. In 1973, the Organization of Petroleum Exporting Countries:
   a. produced more petroleum than they could refine and gasoline prices rose sharply.
   b. embargoed oil shipments to the United States because of American support for Israel.
   c. increased production in order to ensure stable oil prices and to encourage economic growth.
   d. announced that each member could determine how much petroleum to sell to the United States.
   e. the first scientific discovery supporting the theory of global warming and ozone destruction.

3. When Gerald Ford became president, he:
   a. pardoned Richard Nixon and thereby increased the cynicism many Americans felt toward government.
   b. restored Americans’ faith in government by resolving most of the economic problems facing the nation.
   c. had the Justice Department prosecute Richard Nixon for crimes associated with the Watergate affair.
   d. negotiated an end to the war in Vietnam and because of that success he was reelected in 1976.
   e. guaranteed justice to the American people for political wrongdoings, sending Nixon and his staff to the federal judiciary.

4. An important event in 1979 that helped increase concerns for the environment was:
   a. the creation of the Environmental Protection Agency as a cabinet-level agency.
   b. the eruption of Mount St. Helens and the air pollution that resulted from the explosion.
   c. a breakdown in the cooling system at the Three Mile Island nuclear power plant.
   d. a severe drought that created the worst ecological disaster since the Dust Bowl.
   e. the first scientific discovery supporting the theory of global warming and ozone destruction.

5. By the late 1970s:
   a. a taxpayers revolt and a white backlash revealed the emergence of a significant conservative movement.
   b. Americans believed that politics and religion should remain separate when it came to public policies.
   c. everybody in the United States accepted the social-welfare legacy of the New Deal and the Great Society.
   d. the New Right and the Moral Majority were able to get the courts to reverse the Roe v. Wade decision.
   e. the push for a more liberal and progressive social reform dominated our judicial and executive branches.

Answer Key
1-E  2-B  3-A  4-C  5-D  6-E  7-D  8-A  9-D  10-B  11-C  12-A  13-E  14-D
6. President Jimmy Carter helped create the Camp David Accords that:
   a. established a homeland for Palestinians by the end of the 1970s.
   b. created a joint government of Jews and Muslims in Jerusalem.
   c. ended the Iran Contra incident releasing American hostages.
   d. ended the violent conflict between Arabs and Israel in the Middle East.
   e. led to diplomatic relations for the first time between Egypt and Israel.

7. President Ronald Reagan:
   a. was just a former actor and didn’t really understand politics.
   b. did everything he could to advance New Deal programs.
   c. believed that the federal government should support civil rights.
   d. was the most influential president since Franklin D. Roosevelt.
   e. was always a big opponent of FDR’s New Deal programs.

8. During the Reagan administration, the federal government:
   a. dramatically increased spending on the military.
   b. dedicated most of the budget to welfare programs.
   c. raised taxes to the highest level in American history.
   d. continued the budget policies of previous administrations.
   e. balanced the federal budget by raising the upper classes’ taxes.

9. During his term in office, President Ronald Reagan:
   a. failed to improve the condition of the economy.
   b. solved all of the nations’ economic problems.
   c. did not have to deal with any economic problems.
   d. had mixed results with his economic policies.
   e. saw success with his domestic economic policies only.

10. Between 1970 and 1979:
    a. women for the first time obtained equal pay for equal work.
    b. the number of women living in poverty increased dramatically.
    c. new laws guaranteed economic equity for divorced women.
    d. poverty among women was eliminated in the United States.
    e. women were not affected by the economic policies of the time.

11. During the 1980s:
    a. the government increased its spending on care for mental health patients.
    b. homelessness was limited to drug addicts and alcoholics who refused to work.
    c. homelessness became a chronic social problem throughout the United States.
    d. government welfare programs led to a decline in the number of homeless people.
    e. homelessness was limited to veterans and illegal immigrants to the United States.

12. The Reagan Doctrine:
    a. declared that the United States would intervene anywhere in the world to fight communism.
    b. created an effective space-based missile defense system to meet the threat of communism.
    c. relied on the United Nations and NATO to stop the expansion of communist insurgencies.
    d. established the idea that the United States would only use economic aid to stop communism.
    e. asserted that the United States would not give aid or assistance to any nation that has not joined the United Nations.

13. The leader of the Soviet Union who encouraged openness and restructuring was:
    a. Leonid Brezhnev.
    b. Leon Trotsky.
    c. Nikita Khrushchev.
    d. Joseph Stalin.
    e. Mikhail Gorbachev.

14. Between 1974 and 1987:
    a. the conservative movement had completely reshaped every aspect of life in the United States.
    b. the United States swung from a very liberal society to a conservative one and then back again.
    c. the Reagan conservatives had successfully restored the society of the 1950s in the United States.
    d. conservatives had achieved most of their economic goals but not necessarily all of their social goals.
    e. the conservatives dominated both the presidency and congress passing successful movement of social reforms.

For additional study resources for this chapter, go to Out of Many, AP® Edition at www.myhistorylab.com