Chapter 26

Section 1: Roots of the New Conservatism

Section 2: The Reagan Revolution

Section 3: Reagan’s Second Term

Section 4: The George H. W. Bush Presidency
What were the major events in Ronald Reagan’s political career?

How did conservatism evolve in the years between the 1930s and the 1970s?

Why did the 1980 election mark a turning point in United States history?
Reagan’s Political Career

When Ronald Reagan began his career as a movie actor in Hollywood, he became actively involved in the political affairs of the actors’ union.

Originally, Reagan considered himself a Democrat. However, he found himself less comfortable with the Democratic Party after World War II, and joined the Republican Party in the 1950s.

Reagan was elected governor of California in 1966. During his eight years as governor, Reagan eliminated California’s budget deficit by modestly increasing taxes, cutting funding to social programs, and reforming state spending.

Reagan became popular both for his likeable personality and his conservative values.
# The Evolution of Conservatism

## Historical Background: Conservatism 1930s—1980

<table>
<thead>
<tr>
<th>New Deal Opponents</th>
<th>Critics of the 1930s New Deal programs argued that the nation could not afford the high federal spending involved in the New Deal. The American Liberty League, formed in 1934, advocated individual and property rights.</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Eisenhower to Goldwater</td>
<td>President Dwight D. Eisenhower accepted the basic outlines of the New Deal, keeping and expanding the federal bureaucracy. In 1964, Republican Senator Barry Goldwater ran for President on a conservative agenda, winning the votes of some southern states.</td>
</tr>
<tr>
<td>The Great Society</td>
<td>President Lyndon B. Johnson’s Great Society program in the 1960s extended New Deal reforms. Programs such as Medicare and Medicaid improved life for many Americans but cost billions of dollars annually.</td>
</tr>
<tr>
<td>Nixon and the Welfare State</td>
<td>When Richard Nixon became President in 1968, he aimed to reduce spending on social welfare programs. However, the federal government continued to grow during Nixon’s presidency.</td>
</tr>
</tbody>
</table>
Issues of the New Conservatism

Social Issues
• Conservatives were disturbed by rock music’s increasingly shocking lyrics as well as rising illegal drug use.
• A new wave of often violent student riots provided another cause of concern for conservatives.
• Many conservatives were critical of the sexual revolution and the women’s movement.

Civil Rights
• Although most people supported the desegregation of public schools, many parents questioned why their students had to be bused to distant schools.
• Many Democrats who objected to affirmative action moved their support to the Republican Party. These Reagan Democrats would help Republicans win many victories in the 1980s.
By 1980, conservative groups had formed a powerful political coalition called the **New Right**. The New Right wanted to improve the economy and reduce the size of government by cutting spending on social programs.

One group on the New Right included evangelists such as Jerry Falwell of Virginia. Using a new format called **televangelism**, Falwell and others appealed to television viewers to contribute money to their campaign.

During the 1980 election, Ronald Reagan criticized incumbent opponent Jimmy Carter’s handling of the economy.

Reagan won the election by a landslide. Republicans also gained a majority in the Senate.
Which of these phrases best describes Reagan Democrats?

(A) Nixon supporters who favored smaller government  
(B) Conservatives who were critical of the women’s movement  
(C) Republicans who joined the Democratic Party  
(D) Democrats who objected to affirmative action

What was the New Right?

(A) A group consisting only of televangelists  
(B) An offshoot of the American Liberty League  
(C) A coalition of conservative groups  
(D) A group in favor of higher government spending

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• How did President Reagan attempt to change the economy?
• In what ways did Reagan change the federal government?
• What were the major initiatives and key foreign policy crises of Reagan’s first term?
• How did the economy move from recession to recovery in the early 1980s?
Supply-Side Economics

- One of Reagan’s main goals was to spur business growth.
- Reagan believed that supply-side economics, a strategy that focused on the supply of goods, would achieve this goal.
- Supply-side economics advocated giving more money to businesses and investors. These businesses in turn would hire more people and produce more goods.

Cutting Taxes

- Cutting taxes was another of Reagan’s priorities.
- In 1986, Congress passed the most sweeping tax reform in history.
- The 1986 tax reforms eliminated loopholes, simplified the tax system, and cut tax rates, especially those of the most wealthy Americans.
Cutting Regulations

- Like President Carter, Reagan wanted to eliminate government regulations that he believed stifled free market competition.
- Reagan continued and expanded the deregulation of the energy, transportation, and banking industries.
- Reagan also challenged the power of labor unions, firing many air traffic controllers who refused to return to work during a 1981 strike.

Slowing Federal Growth

- Cutting the size of the federal government was among Reagan’s priorities.
- Under Reagan, public service jobs were eliminated, unemployment and welfare benefits were reduced, and Medicare rates were raised.
- Reagan initiated a plan called the **New Federalism** in which the federal government would no longer tell states exactly how federal aid had to be used.
Reagan was determined to defend American interests in the Cold War. Part of this involved continuing to build up both conventional military forces and the nuclear arsenal.

In 1983, Reagan announced the Strategic Defense Initiative (SDI), popularly known as “Star Wars.” SDI proposed the creation of a massive satellite shield in space to intercept and destroy incoming Soviet missiles.

Continuing difficulties in the Middle East, especially Libya and Lebanon, claimed American lives.

The United States sent aid to groups that were resisting Communist forces in several Latin American nations. These nations included El Salvador, Nicaragua, and Grenada.
During the 1980 campaign, Reagan had promised to balance the federal budget. However, a combination of defense spending and tax cuts meant that the federal budget deficit grew.
During Reagan’s first two years in office, the United States experienced the worst economic downturn since the Great Depression.

By 1983, the economy had begun to recover. Unemployment and inflation rates fell, and investment rose. Those in favor of supply-side economics claimed that the recovery supported their views. However, one prediction of this theory did not come true. Cuts in tax rates failed to generate enough economic growth for the government’s tax revenues actually to increase.

Rising budget deficits drew the nation deeper into debt. Despite this debt, many Americans continued to support Reagan’s values and policies.
What was the Strategic Defense Initiative?
(A) Reagan’s plan to reduce government spending
(B) The elimination of government regulations on many industries
(C) The name given to American involvement in Libya
(D) A proposal for a massive satellite shield against Soviet weapons

Which of the following could be considered a success of supply-side economics?
(A) The recession of 1980–1982
(B) Greater consumer spending and investment in 1983
(C) United States victories in Latin America
(D) The rising federal budget deficit

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Reagan’s Second Term

Chapter 26, Section 3

• In what ways did the United States experience a renewal of patriotism in the 1980s?
• What were some important social debates that continued through Reagan’s term in office?
• How did the economy evolve during the 1980s?
• How did Reagan’s hands-off style of governing lead to problems?
• What was the legacy of Reagan’s presidency?
Reagan was reelected President in 1984, winning a landslide victory over Democratic opponent Walter Mondale.

Numerous events during Reagan's second term celebrated a renewal of patriotism. These included American victories in the 1984 Olympic Games, which took place in Los Angeles; the centennial of the Statue of Liberty in 1986; and the 200th anniversary of the Constitution in 1987.
## Continuing Social Debates

| Civil Rights | The number of African American elected officials rose dramatically during the 1980s, and Martin Luther King, Jr.’s birthday became a national holiday. However, Reagan appointed federal judges who were less sympathetic to civil rights goals, and resistance to affirmative action programs rose. |
| The Women’s Movement | As women gained access to new opportunities, opposition to the women’s movement grew. The proposed Equal Rights Amendment failed to gain approval, and anti-abortion groups protested the 1973 *Roe v. Wade* Supreme Court ruling. |
| Sexual Orientation | The campaign for homosexual rights presented another controversial issue. The spread of AIDS, or acquired immunodeficiency syndrome, caused alarm. |
| Conservatives on the Supreme Court | Reagan appointed conservative judges Sandra Day O’Connor and Antonin Scalia to the Supreme Court. He also raised conservative Justice William Rehnquist to the position of Chief Justice. |
• America’s farmers suffered setbacks during the 1980s. Oversupply and falling prices put many farmers in debt. Federal aid helped farmers for the short term but failed to address underlying problems.

• A decline in the manufacturing industry caused many workers to lose their jobs. In most cases, workers found new jobs in other industries, as the United States economy shifted away from manufacturing.

• Under Reagan, wealthy Americans flourished while individuals’ wages declined. By the late 1980s, wealth was more unevenly distributed than at any time since the end of World War II.
The S & L Scandal

- Reagan favored less government regulation of the economy.
- Some savings and loan banks (often called S & Ls) took advantage of new laws to make risky investments with depositors’ savings.
- When hundreds of S & Ls failed, taxpayers had to make up the billions of dollars lost.
- A number of bank officials were prosecuted for their role in the scandal and for their efforts to cover it up.

The Iran-Contra Affair

- In Nicaragua, the United States secretly supported guerrillas known as Contras against the ruling Marxist Sandinistas. This policy violated American laws on international intervention.
- Congress discovered this violation and, in 1984, cut off aid to the Contras.
- In what became known as the Iran-Contra affair, some government officials secretly continued supporting the Contras using profits from arms sales to Iran.
The Reagan Legacy

Chapter 26, Section 3

Foreign Policy Success

• Relations between the United States and the Soviet Union improved during Reagan’s second term.

• Reagan developed a close relationship with Soviet leader Mikhail Gorbachev, who advocated policies of political and economic openness called glasnost and perestroika.


Domestic Policy Initiatives

• Payments for entitlements, or programs such as Social Security, Medicare, and Medicaid, which guarantee payments to a particular group of recipients, grew faster than policymakers had expected.

• Investor fears about budget deficits and rising national debt led to a stock market crash in 1987.

• Despite these setbacks, many Americans viewed Reagan’s two terms in office as a time of national pride and confidence.
Reagan’s Second Term—Assessment

Chapter 26, Section 3

Which of the following declined during Reagan’s presidency?

(A) Relations with the Soviet Union
(B) Opportunities for women
(C) Jobs in manufacturing
(D) Payment for entitlements

What was the Iran-Contra affair?

(A) A scandal in which many S & Ls lost investments
(B) The secret use of arms-sale profits to support guerrillas
(C) Reagan’s nomination of conservatives to the Supreme Court
(D) A treaty calling for destruction of missiles in Europe

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The George H. W. Bush Presidency

Chapter 26, Section 4

- What challenges did George Bush face in the 1988 presidential election?
- How did the Cold War come to an end?
- In what ways did the United States play a new international role after the end of the Cold War?
- What effect did domestic issues have on Bush’s presidency?
The 1988 Election

Republican Vice President George H. W. Bush began the 1988 campaign far behind his opponent, Governor Michael Dukakis of Massachusetts.

Bush campaigned promising “no new taxes” and aired television advertisements that attacked Dukakis’s records on crime, the economy, and environmental issues.

Many voters felt that neither candidate addressed the major issues facing the country. Bush won a solid victory but failed to gain the mandate Reagan had enjoyed.
• Soviet leader Mikhail Gorbachev encouraged policies of glasnost and perestroika in Eastern Europe, which contributed to the dissolution of the Soviet Union and the end of the Cold War.
• In Poland, free elections came to replace Communist rule. A union alliance called Solidarity had a large role in this conversion.
• On November 9, 1989, East Germany began allowing travel to and from West Germany. Germans gleefully smashed the Berlin Wall, the most potent symbol of the Cold War. A year later, East and West Germany reunited.
In August 1991, conservative Communists in the Soviet Union staged a coup which they hoped would force Gorbachev to resign. Although the attempt failed, the Soviet Union’s 15 republics sensed weakness in the central government and began to move toward independence.

Gorbachev resigned the presidency of the Soviet Union on December 25, 1991. A week later, the Soviet Union ceased to exist. It was replaced with a loose alliance of former Soviet republics called the Commonwealth of Independent States.

As the Soviet Union disintegrated, Bush continued arms-control talks with Gorbachev. The first Strategic Arms Reduction Treaty (START I), signed in 1991, called for dramatic reductions in the two nations’ supplies of long-range nuclear weapons.
The reunification of Germany and the breakup of the Soviet Union caused changes in the map of Europe and Western Asia.
A New International Role

Chapter 26, Section 4

Tiananmen Square

- In May 1989, Chinese students occupied Tiananmen Square in Beijing, protesting for democracy and reform in China.
- On June 3, 1989, China’s leaders ordered the army to attack the protesters in Tiananmen Square, killing many.
- Bush took a nonconfrontational stance to China, not wishing to risk China’s relationship with the United States. However, many Americans saw Bush as indifferent to human rights in China.

The Invasion of Panama

- Bush suspected General Manuel Noriega, leader of the Central American nation of Panama, of smuggling cocaine into the United States.
- After Noreiga declared war on the United States, Bush launched a lightning attack against Panama in December 1989. American forces won control of Panama the following month.
- Although they had criticized Bush’s stance toward China, many Americans praised his bold handling of the Panama invasion.
In August 1990, the Arab nation of Iraq, headed by dictator Saddam Hussein, invaded neighboring Kuwait. Ancient territorial claims as well as Kuwait’s substantial oil wealth motivated this invasion.

President Bush believed that protection of Kuwait’s oil reserves was an issue of national security. Bush, working with the United Nations and leaders of more than 25 other countries, mobilized forces for the Persian Gulf War.

In a series of airstrikes called Operation Desert Storm, UN forces, directed by General Colin Powell and led by Norman Schwarzkopf, liberated Kuwait after just six weeks of war. Bush’s popularity soared.

Bush opted not to send troops deep into Iraq to oust Saddam, believing that his opponents would soon overthrow him. However, Saddam’s opposition proved weaker than expected, and he remained in power.
Domestic Issues

Chapter 26, Section 4

- Although Bush’s foreign policy was popular, many Americans felt that he did not have a clear plan for handling domestic issues.

- Bush’s nomination of conservative African American judge Clarence Thomas to the Supreme Court angered many liberals and moderates. Charges of past sexual harassment plagued Thomas’s confirmation hearings.

- A deficit reduction plan that included new taxes broke Bush’s campaign promise and angered many Americans.

- A recession which began in the early 1990s resulted in widespread **downsizing**, or the laying off of workers to cut costs to companies. Cuts in defense spending and rising oil prices also contributed to America’s economic problems.
How did former Soviet republics reorganize after the collapse of the Soviet Union?

(A) They formed a strongly unified commonwealth.
(B) They formed a loose alliance of independent states.
(C) They became colonies of a newly-unified Germany.
(D) They invaded Kuwait to gain its oil wealth.

Which of the following decreased George H. W. Bush’s popularity?

(A) Rapid victory in the Persian Gulf War
(B) Bold moves in the invasion of Panama
(C) Creation of new taxes
(D) Television advertisements attacking Michael Dukakis

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The George H. W. Bush Presidency—Assessment

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