

Ch 25 The Conservative Tide

Section 1 – A Conservative Movement Emerges

Conservative Movement Builds

1. New Right – an alliance of conservative special interest groups stressing cultural, social, and moral issues
 - a. Conservative Coalition & Moral Majority
 - b. Opposed big government, entitlements, and the use of busing and affirmative action to correct segregation as well as a belief in traditional moral standards
 - c. 4 Major Goals:
 - i. Shrinking the federal government and lowering spending
 - ii. Promoting traditional morality and values
 - iii. Stimulating business by reducing government regulations and lowering taxes
 - iv. Strengthening the national defense

Conservatives Win Political Power

1. Election of 1980 – Ronald Reagan and George W. Bush v. Jimmy Carter and Walter Mondale
 - a. Reagan campaigned against Supreme Court decisions favoring abortion, pornography, the teaching of evolution, and denying prayer in schools

- b. Reagan was also helped by the Iranian hostage crisis, the weak economy under Carter, and his staunch anti-communist attitude
- c. Reagan, known as the “Great Communicator”, had a much stronger public appeal than Carter
- d. Reagan won 51% of popular vote, but defeated Carter 489-49 in the electoral vote, Republicans also gained control of the Senate for the 1st time since 1954

Section 2 – Conservative Policies Under Reagan and Bush

Reaganomics Take Over

1. Cutting Government Programs – Congress slashed by 10% the budget for urban mass transit, food stamps, welfare benefits, job training, Medicaid, school lunches, and student loans
 - a. In all domestic spending was cut by over \$40 billion dollars
2. Reaganomics – term used to refer to Reagan’s economic policy, involved large tax cuts to increase private investments, which in turn would increase the nation’s supply of goods and services
 - a. Supply-side Economics – idea that a reduction of tax rates will lead to increases in jobs, savings, and investments, and therefore to an increase in government revenue

- b. 1981 – Reagan signed into law a 25% cut in federal income taxes, spread over 3 years
- 3. Increasing Military Spending – Reagan’s increase in military spending more than offset cuts in social programs
 - a. 1981-1984 – Defense Dept. budget almost doubled
 - b. Strategic Defense Initiative (SDI) – known as Star Wars and estimated to cost trillions of dollars, it was intended to protect the U.S. against missile attacks
- 4. Revived Economy – interest rates fell, stock market soared, inflation dropped from 14% to 4% but government revenues did not, leading to large budget deficits
 - a. After going through a mini recession in 1982 due to high interest rates, the stock market surged, unemployment declined, and the GNP went up by almost 10%
 - b. Stock Market Crash – Oct 19, 1987 “Black Monday”, the market lost 508 points in one day due to large automated and computerized buying and selling systems
 - i. Market recovered and continued its upward trend
- 5. National Debt Climbs – during the Reagan and Bush years the debt grew from \$900 billion in 1980 to

almost \$4 trillion in 1992, making the U.S. the world's leading debtor nation

- a. Interest payment on the debt alone accounted for about 21% of the national budget (more than the budget for education, health, the environment, agriculture, transportation, space, science, and technology combined)
- b. Trade Imbalance – U.S. was importing more than it was exporting
- c. Tax Increases – in order to pay for the growing debt, Congress and Reagan in 1982 increased taxes (other than those on income) while also increasing taxes in 1986
 - i. Reagan lowered individual tax rates in 1986 but increased business rates and eliminated hundreds of deductions

Judicial Power Shifts to the Right

1. Reagan-Bush Supreme Court Nominations – each named conservative justices to the court
 - a. Sandra Day O'Connor – 1st woman to be appointed to the court
 - b. William Rehnquist – the most conservative justice on the court at the time, named chief justice
 - c. By the end of his term, Reagan had appointed nearly ½ of all federal district and appeals judges

which handed down conservative decisions in regards to abortion and race discrimination

d. Bush & Reagan appointments ended the liberal control over the court that had begun under FDR

Deregulating the Economy – part of Reagan’s attempt to scale back government and promote competition in our economy

1. He removed price controls on oil and gas, eliminated federal health and safety inspections for nursing homes, while also deregulating the airline industry and the savings and loan industry
2. Savings and Loan Industry – deregulation allowed S & Ls to invest in commercial real estate (shopping malls, golf courses, and office buildings) while the gov’t stood by to pay individual investors up to \$100,000 in savings insurance
 - a. From 1988-1990, as the economy slowed, approximately 600 S & Ls failed due to risky investments wiping out investors savings
 - i. Federal gov’t and American taxpayers were left to clean up the mess
 - ii. Charles Keating – president of Lincoln Savings and Loan in California, lost more than \$2.6 billion of depositor’s money but covered it up by making several contributions to Senators

3. Environment – Reagan cut the budget of the EPA, which had been established in the 1970s to fight pollution and to conserve resources

Conservative Victories in 1984 and 1988

1. Reagan's Coalition of Conservatives

- a. Businesspeople – wanted to deregulate the economy
- b. Southerners – welcomed the limits of federal power
- c. Westerners – resented federal controls on mining and grazing
- d. “Reagan Democrats” – agreed with Reagan on limiting federal gov't and the thought that the Democratic party had drifted too far to the left

2. 1984 Presidential Election – Reagan/Bush vs. Walter Mondale (Carter's VP) and Geraldine Ferraro (Rep from New York & the first woman on a major party's presidential ticket)

- a. Reagan won in a landslide carry every state but Mondale's Minnesota and D.C.

3. 1988 Presidential Election – despite a deepening deficit, rising inflation, and foreign-policy scandals, a majority of Americans were economically

- a. Was attributed to Reagan and Bush policies
- b. George Bush vs. Michael Dukakis (Gov. of Mass) – voter saw little reason for change

- c. Lowest voter turnout in 64 years (only ½ of the eligible voters voted) Bush received 53% of the vote and 426 electoral votes

Sec 3 – American Society in a Conservative Age

Health, Education, and Cities in Crisis

1. AIDS (Acquired Immune Deficiency Syndrome) – disease caused by a virus that weakens the immune system, making the body prone to infections and otherwise rare forms of cancer
2. Abortion – 1st trimester abortions were made legal by the 1973 *Roe v. Wade* Supreme Court decision which set the stage for the Pro-life vs. Pro-choice debate
3. Drug Abuse – jobless youth in the cities and teenagers in the suburbs joined gangs to gain power and money by selling crack cocaine and other drugs
 - i. Military patrolled the nation's borders to prevent drug smuggling
4. Urban Crisis – most undereducated students were in cities such as Baltimore, Chicago, Detroit, Philadelphia, and D.C.
 - a. Most middle class families left the cities and moved to the suburbs during the 1970s taking well-equipped schools, businesses, jobs, and tax revenues with them
 - b. Poor people and minorities were left in the cities to deal with high unemployment, crumbling

infrastructure, inadequate funds for sanitation and health, deteriorating schools, and growing social problems

- c. Cities became increasingly divided between poor and wealthy neighborhoods
- d. Rodney King Riots – King was beaten by four white police officers after being pulled over for fleeing officers in a speeding car, which was all caught on videotape
 - i. A mostly white jury found the officers not guilty of brutality igniting south Central LA into 5 days of rioting (3 were later convicted on federal civil rights charges)
 - ii. 51 people died, 2,400 were injured and about \$1 billion in property was damaged – Korean businesses were targeted and Latinos accounted for more than 1/2 those arrested and 1/3 of those killed
 - iii. Riots contained a strong element of class-based protest against the failure of the American system to address the needs of all poor people

Sec 4 - Foreign Policy After the Cold War

Cold War Ends

1. Gorbachev Initiates Reform

- a. Mikhail Gorbachev – became the general secretary of the Communist Party in the Soviet Union in March of 1985
 - i. Being a skilled diplomat, he worked to promote better relations between the U.S. & Soviet Union in hopes of reducing Soviet military spending
 - ii. INF Treaty (Intermediate-Range Nuclear Forces Treaty) – signed Dec 8, 1987 by Reagan and Gorbachev, eliminated two classes of weapons systems in Europe and allowed each nation to make on-site inspections of the other's military installations
 - iii. *Glasnost* – advocated by Gorbachev which called for an openness in discussing social problems
 - iv. *Perestroika* – economic and bureaucratic restructuring, also advocated by Gorbachev
 - v. Gorbachev restored private ownership of land and replaced central planning with localized decisions while also decreasing censorship and holding free elections
- b. Soviet Disunion
 - i. Increasing nationalism amongst non-Russian republics led to them declaring in 1990 that local laws took priority over those of the central government

- ii. Aug 19, 1991 – Communist hardliners attempted a coup, forcing Gorbachev out of office and declared a state of emergency
- iii. Aug 24 – Gorbachev was back in power, he promptly resigned as head of the Communist Party and banned it from any further role in government
- iv. Dec 1991 – 14 non-Russian republics declared their independence and Gorbachev resigned as Soviet president
- v. Commonwealth of Independent States (CIS) – formed after the Soviet Union fell apart after 74 years of existence
- vi. Feb 1992 – President Bush and Russian president Boris Yeltsin issued a formal statement declaring an end to the Cold War
- vii. Jan 1993 – Yeltsin and Bush sign the START II pact designed to cut both nations' nuclear arsenals by 75%

c. Poland and Germany

- i. 1988 – Gorbachev reduced the number of Soviet troops in Eastern Europe while allowing non-communist parties to organize in satellite nations and encouraging them to move towards democracy
- ii. Poland moved quickly to establish a non-communist government and free-market economy

- iii. Nov 9, 1989 – East Germany opened the Berlin Wall allowing free passage between the two parts of the city for the first time in 28 years
- iv. Oct 3, 1990 – East and West Germany became one again

d. Eastern Europe

- i. Czechoslovakia – withdrew from the Soviet bloc
- ii. Latvia, Estonia, and Lithuania declared their independence
- iii. Hungary, Bulgaria, and Romania made successful transitions from Communism
- iv. Yugoslavia – collapsed, ethnic rivalries led to a brutal war among Muslims, Orthodox Serbs, and Roman Catholic Croats

e. Communism Continues in China

- i. **Early in the 1980s, the Chinese Communist government loosened its grip on business and eliminated some price controls**

- ii. Tiananmen Square – site of 1989 demonstrations in Beijing, China, in which Chinese students demanded freedom of speech and a greater voice in government

- 1. Li Peng – China's premier, ordered the military to crush the protesters killing hundreds of them while arresting and executing many others

- iii. By 1990, the Chinese government started more economic reforms

Central American and Caribbean Policy

1. Nicaragua – U.S. had a presence in Nicaragua from 1912-1933, only leaving after establishing dictator Anastasio Somoza's dictatorship
 - a. Sandinista Rebels – leftist group that overthrew the Nicaraguan government led by Somoza's son in 1979
 - b. Carter recognized the new gov't and sent it \$83 million in economic aid, Cuba and the Soviet Union also sent money
 - c. 1981 – Reagan accused Nicaragua of being a Soviet outpost that was “exporting revolution” to other Central American countries
 - a. Contras – Rebels who received aid from the Reagan administration in their efforts to overthrow the Sandinista government in the 1980s
 - i. The CIA also provided them with direct operations w/o Congressional approval
 - ii. Bolland Amendment – past by Congress banning military aid to the Contras for two years although the Reagan administration still found ways to aid them

- d. February 25, 1990 – Nicaraguan president Daniel Ortega held free elections and Violeta de Chamorro was elected, Chamorro vowed to work to rebuild Nicaragua
- 2. Grenada – tiny Caribbean island that the Reagan administration accused of developing ties to Communist Cuba
 - a. Reagan dispatched 2,000 troops to the island in 1983 to overthrow the pro-Cuban government, replacing it with one more friendly to the U.S.
 - b. 18 U.S. soldiers died in the invasion
- 3. Panama – in 1989, President Bush sent over 20,000 soldiers to overthrow and arrest General Manuel Antonio Noriega on charges of drug trafficking
 - a. Noriega had been receiving money since 1960 from the CIA but got involved in the international drug trade
 - b. Noriega was taken by force and flown to Miami to stand trial where in April 1992 he was convicted and sentenced to 40 years in prison

Middle East Trouble Spots

1. Iran-Contra Scandal

- a. 1983 – Terrorist groups loyal to Iran took a number of Americans hostage in Lebanon
- b. Reagan denounces Iran and urged U.S. allies not to sell Iran arms for its war against Iraq

c. Nov 1986 – American public learns that the Reagan administration had been violating its own policy by secretly selling Iran antitank and anti-aircraft missiles in an attempt to free the hostages

i. Profits from these sales were being sent to the Contras in Nicaragua which violated the Boland Amendment

d. Summer of 1987 – Congress conducted a dramatic inquiry into the Iran-Contra affair in a month of joint televised hearings

i. Lieutenant Colonel Oliver North – a member of the National Security Council staff who played a key role in providing illegal aid to the Contras

ii. 1988 – Special prosecutor Lawrence E. Walsh indicted various members of the Reagan administration who were later pardoned by President Bush Dec 24, 1992

2. Persian Gulf War

a. Aug 2, 1990 – Saddam Hussein, facing enormous war debts due to the Iran-Iraq War, invaded a disputed area of oil-rich Kuwait

b. Iraqi soldiers looted Kuwait and then headed for Saudi Arabian oil fields, which if captured, would give them control of 1/2 of the world's oil

c. Operation Desert Storm – 42 day military operation in 1991, which UN forces, led by the U.S., would drive Iraqi invaders from Kuwait

- i. Jan 16, 1991 – U.S. and its allies launched a massive air assault against Iraq
- ii. Feb 23 – a successful ground offensive from into Iraq from Saudi Arabia was launched
- iv. Feb 28 – President Bush announces a cease-fire ending Desert Storm, Kuwait had been liberated
- v. UN forces only suffered 400 (145 Americans were killed in action) casualties while Iraq suffered more than 100,000 military and civilian deaths