30 CHAPTER

Conservative America in the Ascent 1980–1991

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IDENTIFY THE BIG IDEA

What factors made the rise of the New Right possible, and what ideas about freedom and citizenship did conservatives articulate in the 1980s?

The decade of the 1970s saw Americans divided by the Vietnam War, wearied by social unrest, and unmoored by economic drift. As a result, many ordinary citizens developed a deep distrust of the muscular Great Society liberalism of the 1960s. Seizing political advantage amid the trauma and divisions, a revived Republican Party, led by the New Right, offered the nation a fresh way forward: economic deregulation, low taxes, Christian morality, and a reenergized Cold War foreign policy. The election of President Ronald Reagan in 1980 symbolized the ascendance of this new political formula, and the president himself helped shape the era.

The New Right revived confidence in "free markets" and called for a smaller government role in economic regulation and social welfare. Reagan famously said, "Government is not the solution to our problem; government *is* the problem." Like the New Right generally, Reagan was profoundly skeptical of the liberal ideology that had informed American public policy since Franklin D. Roosevelt's New Deal. His presidency combined an economically conservative domestic agenda with aggressive anticommunism abroad. Reagan's foreign policy brought an end to détente—a lessening of tensions—with the Soviet Union (which had begun with Richard Nixon) and then, unexpectedly, a sudden thawing of U.S.-Soviet relations, laying the groundwork for the end of the Cold War.

Reagan defined the conservative ascendancy of the 1980s, but he did not create the New Right groundswell that brought him into office. Grassroots conservative activists in the 1960s and 1970s built a formidable right-wing movement that awaited an opportune political moment to challenge for national power. That moment came in 1980, when Democratic president Jimmy Carter's popularity plummeted as a result of his mismanagement of two national crises. Raging inflation and the Iranian seizure of U.S. hostages in Tehran undid Carter and provided an opening for the New Right, which would shape the nation's politics for the remainder of the twentieth century and the first decade of the twenty-first.

1984 Republican National Convention Ronald Reagan delivers his acceptance speech in this photo from the 1984 Republican National Convention. Reagan's political rise captured the spirit of conservative politics in the late 1970s and 1980s. Ronald Reagan Presidential Library.

The Rise of the New Right

The Great Depression and World War II discredited the traditional conservative program of limited government at home and diplomatic isolationism abroad. Nevertheless, a right-wing faction survived within the Republican Party. Its adherents continued to oppose the New Deal but reversed their earlier isolationism. In the postwar decades, conservatives pushed for military interventions against communism in Europe, Asia, and the developing world while calling for the broadest possible investigation of subversives at home (Chapter 25).

However, conservatives failed to devise policies that could win the allegiance of American voters in the two decades after World War II. Republicans by and large continued to favor party moderates, such as Dwight Eisenhower, Thomas Dewey, and Nelson Rockefeller. These were politicians, often called liberal Republicans, who supported much of the New Deal, endorsed the containment policy overseas, and steered a middle course through the volatile social and political changes of the postwar era. The conservative faction held out hope, however, that it might one day win the loyalty of a majority of Republicans and remake the party in its image. In the 1960s and 1970s, these conservatives invested their hopes for national resurgence in two dynamic figures: Barry Goldwater and Ronald Reagan. Together, the two carried the conservative banner until the national mood grew more receptive to right-wing appeals.

Barry Goldwater

Barry Goldwater was a three-term senator from Arizona before he ran for the presidency in 1964 (this photo was taken during the campaign). Goldwater's conservative influence on the Republican Party was considerable and laid the political groundwork for the rise of Ronald Reagan a decade and a half later. © Everett Collection Inc./Alamy.

Barry Goldwater and Ronald Reagan: Champions of the Right

The personal odyssey of Ronald Reagan embodies the story of New Right Republican conservatism. Before World War II, Reagan was a well-known movie actor as well as a New Deal Democrat and admirer of Roosevelt. However, he turned away from liberalism, partly from self-interest (he disliked paying high taxes) and partly on principle. As head of the Screen Actors Guild from 1947 to 1952, Reagan had to deal with its Communist members, who formed the extreme left wing of the American labor movement. Dismayed by their hard-line tactics and goals, he became a militant anticommunist. After nearly a decade as a spokesperson for the General Electric Corporation, Reagan joined the Republican Party in the early 1960s and began speaking for conservative causes and candidates.

UNDERSTAND POINTS OF VIEW
Why was the New Right disappointed with the Republican Party in the decades after World War II?

One of those candidates was archconservative Barry Goldwater, a Republican senator from Arizona. Confident in their power, centrist Republicans did not anticipate that grassroots conservatives could challenge the party's old guard and nominate one of their own for president: Goldwater himself. Understanding how they did so in 1964 brings us closer to comprehending the forces that propelled Reagan to the presidency a decade and a half later. Indeed, Reagan the politician came to national attention in 1964 with a televised speech at the Republican convention supporting Goldwater for the presidency. In a dramatic speech titled "A Time for Choosing," Reagan warned that if we "trade our freedom for the soup kitchen of the welfare state," the nation would "take the first step into a thousand years of darkness."

The Conscience of a Conservative Like Reagan, Goldwater came from the Sunbelt, where citizens

embraced a libertarian spirit of limited government and great personal freedom. His 1960 book, ***The Conscience of a Conservative***, set forth an uncompromising conservatism. In direct and accessible prose, Goldwater attacked the New Deal state, arguing that "the natural tendency of government [is] to expand in the direction of absolutism." The problem with the Republican Party, as he saw it, was that Eisenhower had been too accommodating to liberalism. When Ike told reporters that he was "liberal when it comes to human problems," Goldwater privately fumed.

The Conscience of a Conservative spurred a Republican grassroots movement in support of Goldwater. By distributing his book widely and mobilizing activists at state party conventions, conservatives hoped to create such a groundswell of support that Goldwater could be "drafted" to run for president in 1964, something he reportedly did not wish to do. Meanwhile, Goldwater further enchanted conservatives with another book, *Why Not Victory?*, in which he criticized the containment policy — the strategy of preventing the spread of communism followed by both Democrats and Republicans since 1947 (Chapter 25). It was, he complained, a policy of "timidly refusing to draw our own lines against aggression . . . unmarked by pride or the prospect of victory." Here was a politician saying exactly what conservatives wanted to hear.

Grassroots Conservatives Because moderates dominated the Republican Party leadership, winning the 1964 nomination for Goldwater required conservative activists to build their campaign from the bottom up. They found thousands upon thousands of Americans willing to wear down shoe leather for their political hero. Organizations such as the John Birch Society, Young Americans for Freedom, and the Liberty Lobby supplied an army of eager volunteers. They came from such conservative strongholds as Orange County, California, and the fast-growing suburbs of Phoenix, Dallas, Houston, Atlanta, and other Sunbelt metropolises. A critical boost came in the early spring of 1964, when conservatives outmaneuvered moderates at the state convention of the California Republican Party, which then enthusiastically endorsed Goldwater. The fight had been bruising, and one moderate Republican warned that "sinister forces are at work to take over the whole Republican apparatus in California."

Another spur to Goldwater backers was the appearance of a book by Phyllis Schlafly, who was then a relatively unknown conservative activist from the Midwest. Like Goldwater's own book, Schlafly's *A Choice Not an Echo* accused moderate Republicans of being Democrats in disguise (that is, an "echo" of Democrats). Schlafly, who reappeared in the national spotlight in the early 1970s to help halt the ratification of the Equal Rights Amendment, denounced the "Rockefeller Republicans" of the Northeast and encouraged the party to embrace a defiant conservatism. Contrasting Goldwater's "grassroots Republicans" with Rockefeller's "kingmakers," Schlafly hoped to "forestall another defeat like 1940, 1944, 1948, and 1960," Democratic victories all.

The conservative groundswell won the Republican nomination for Goldwater. However, his strident tone and militarist foreign policy were too much for a nation mourning the death of John F. Kennedy and still committed to liberalism. Democrat Lyndon B. Johnson defeated Goldwater in a historic landslide (Chapter 28). Many believed that Goldwater conservatism would wither and die, but instead the nearly four million volunteers who had campaigned for the Arizona senator swung their support to Ronald Reagan and built toward the future. Skilled conservative political operatives such as Richard Viguerie, a Louisiana-born Catholic and antiabortion activist, applied new computer technology to political campaigning. Viguerie took a list of 12,000 Goldwater contributors and used computerized mailing lists to solicit campaign funds, rally support for conservative causes, and get out the vote on election day. Conservatism was down but not out.

Backed financially by wealthy southern Californians and supported by Goldwaterites, Reagan won California's governorship in 1966 and again in 1970. His impassioned rhetoric supporting limited government and law and order — he vowed to "clean up the mess in Berkeley," referring to campus radicals — won broad support among citizens of the nation's most populous state. More significantly, it made him a force in national politics. His supporters believed that he was in line to succeed Nixon as the next Republican president. The Watergate scandal intervened, however, discrediting Nixon and making Gerald Ford the incumbent. After narrowly losing a campaign against Ford for the Republican presidential nomination in 1976, Reagan was forced to bide his time. When Ford lost to Carter in that year's election, as the party's brightest star Reagan was a near lock to be the nominee in 1980.

Free-Market Economics and Religious Conservatism

The last phase of Reagan's rise was the product of several additional developments within the New Right. The burgeoning conservative movement increasingly

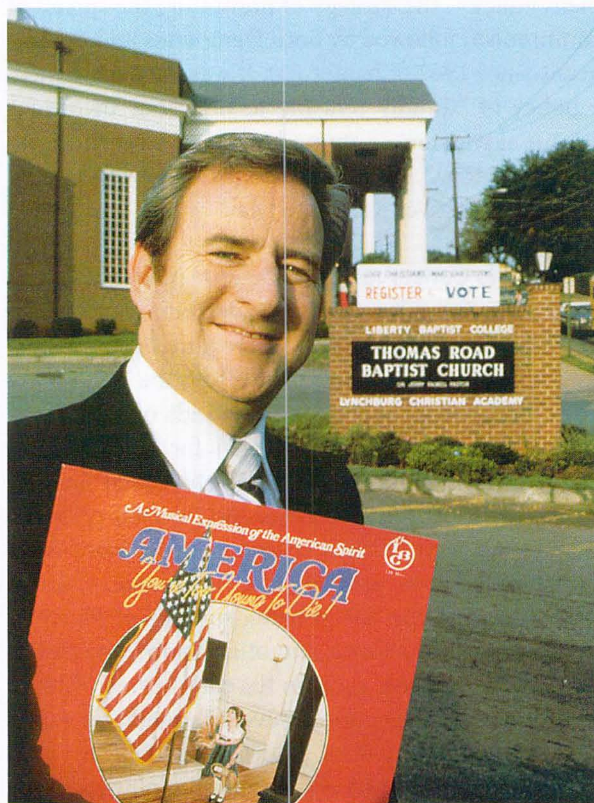
PLACE EVENTS IN CONTEXT
What was the "three-legged stool" of the New Right, and how did each leg develop within the context of the Cold War?

resembled a three-legged stool. Each leg represented an ideological position and a popular constituency: anticommunism, free-market economics, and religious traditionalism. Uniting all three in a political coalition was no easy feat. Religious traditionalists demanded strong government action to implement their faith-based agenda, while economic conservatives favored limited government and free markets. Both groups, however, were ardent anticommunists — free marketeers loathed the state-directed Soviet economy, and religious conservatives despised the "godless" secularism of the Soviet state. In the end, the success of the New Right would come to depend on balancing the interests of economic and moral conservatives.

Since the 1950s, William F. Buckley, the founder and editor of the conservative magazine ***National Review***, and Milton Friedman, the Nobel Prize–winning economist at the University of Chicago, had been the most prominent conservative intellectuals. Convinced that "the growth of government must be fought relentlessly," Buckley used the *National Review* to criticize liberal policy. For his part, Friedman became a national conservative icon with the publication of *Capitalism and Freedom* (1962), in which he argued that "economic freedom is . . . an indispensable means toward the achievement of political freedom." Friedman's free-market ideology, along with that of Friedrich von Hayek, another University of Chicago economist, was taken up by wealthy conservatives, who funded think tanks during the 1980s to disseminate market-based public policy ideas. The Heritage Foundation, the American Enterprise Institute, and the Cato Institute issued policy proposals and attacked liberal legislation and the stranglehold of economic regulation they believed it exerted. Followers of Buckley and Friedman envisioned themselves as crusaders, working against what one conservative called "the despotic aspects of egalitarianism."

The most striking addition to the conservative coalition was the **Religious Right**. Until the 1970s, politics was an earthly concern of secondary interest to most fundamentalist and evangelical Protestants. But the perception that American society had become immoral, combined with the influence of a new generation of popular ministers, made politics relevant. Conservative Protestants and Catholics joined together in a tentative alliance, as the Religious Right condemned divorce, abortion, premarital sex, and feminism. The route to a moral life and to "peace, pardon, purpose, and power," as one evangelical activist said, was "to plug yourself into the One, the Only One [God]."

Charismatic televangelists such as Pat Robertson and Jerry Falwell emerged as the champions of a morality-based political agenda during the late 1970s. Falwell, founder of Liberty University and host of the *Old Time Gospel Hour* television program, established the Moral Majority in 1979. With 400,000 members and $1.5 million in contributions in its first year, it would be the organizational vehicle for transforming the Fourth Great Awakening into a religious political movement. Falwell made no secret of his views: "If you want to know where I am politically," he told reporters, "I thought Goldwater was too liberal." Falwell was not alone. Phyllis Schlafly's STOP ERA, which became Eagle Forum in 1975, continued to advocate for conservative public policy; Focus on the Family was



Jerry Falwell

The resurgence of evangelical religion in the 1970s was accompanied by a conservative movement in politics known as the Religious Right. Founded in 1979 by televangelist Jerry Falwell, the Moral Majority was one of the earliest Religious Right groups, committed to promoting "family values" and (as the title to the record album he is holding in this photo suggests) patriotism in American society and politics. Wally McNamee/Corbis.

founded in 1977; and a succession of conservative organizations would emerge in the 1980s, including the Family Research Council.

The conservative message preached by Barry Goldwater and Ronald Reagan had appealed to few American voters in 1964. Then came the series of events that undermined support for the liberal agenda of the Democratic Party: the failed war in Vietnam; a judiciary that legalized abortion and pornography, enforced school busing, and curtailed public expression of religion; urban riots; and a stagnating economy. By the late 1970s, the New Right had developed a conservative message that commanded much greater popular support than Goldwater's program had. Religious and free-market conservatives joined with traditional anticommunist hard-liners — alongside whites opposed to black civil rights, affirmative action, and busing — in a broad coalition that attacked welfare-state liberalism, social permissiveness, and an allegedly weak and defensive foreign policy. Ronald Reagan expertly appealed to all of these conservative constituencies and captured the Republican presidential nomination in 1980 (American Voices, p. 978). It had taken almost two decades, but the New Right appeared on the verge of winning the presidency.

The Carter Presidency

First, the Republican Party had to defeat incumbent president Jimmy Carter. Carter's outsider status and his disdain for professional politicians had made him the ideal post-Watergate president. But his ineffectiveness and missteps as an executive also made him the perfect foil for Ronald Reagan.

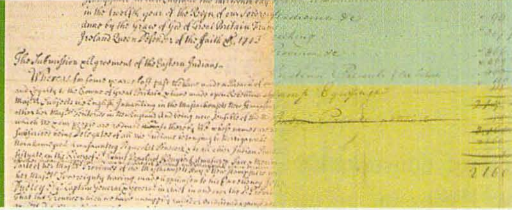
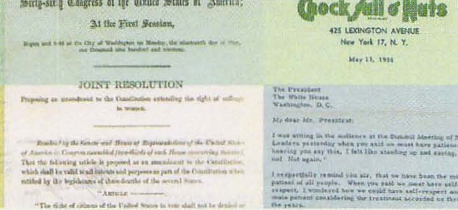
Carter had an idealistic vision of American leadership in world affairs. He presented himself as the anti-Nixon, a world leader who rejected Henry Kissinger's "realism" in favor of human rights and peacemaking. "Human rights is the soul of our foreign policy," Carter asserted, "because human rights is the very soul of our sense of nationhood." He established the Office of Human Rights in the State Department and withdrew economic and military aid from repressive regimes in Argentina, Uruguay, and Ethiopia — although, in realist fashion, he still funded equally repressive U.S. allies such as the Philippines, South Africa, and Iran. In Latin America, Carter eliminated a decades-old symbol of Yankee imperialism by signing a treaty on September 7, 1977, turning control of the Panama Canal over to Panama (effective December 31, 1999). Carter's most important efforts came in forging an enduring, although in retrospect limited, peace in the intractable Arab-Israeli conflict. In 1978, he invited Israeli prime minister Menachem Begin and Egyptian president Anwar el-Sadat to Camp David, where they crafted a "framework for peace," under which Egypt recognized Israel and received back the Sinai Peninsula, which Israel had occupied since 1967.

Carter deplored what he called the "inordinate fear of communism," but his efforts at improving relations with the Soviet Union foundered. His criticism of the Kremlin's record on human rights offended Soviet leader Leonid Brezhnev and slowed arms reduction negotiations. When, in 1979, Carter finally signed the second Strategic Arms Limitations Treaty (SALT II), limiting bombers and missiles, Senate hawks objected. Then, when the Soviet Union invaded Afghanistan that December, Carter suddenly endorsed the hawks' position and treated the invasion as the "gravest threat to world peace since World War II." After ordering an embargo on wheat shipments to the Soviet Union and withdrawing SALT II from Senate consideration, Carter called for increased defense spending and declared an American boycott of the 1980 Summer Olympics in Moscow. In a fateful decision, he and Congress began providing covert assistance to anti-Soviet fighters in Afghanistan, some of whom, including Osama bin Laden, would metamorphose into anti-American Islamic radicals decades later.

Hostage Crisis Carter's ultimate undoing came in Iran, however. The United States had long counted Iran as a faithful ally, a bulwark against Soviet expansion into the Middle East and a steady source of oil. Since the 1940s, Iran had been ruled by Mohammad Reza Shah Pahlavi. Ousted by a democratically elected parliament in the early 1950s, the shah (king) sought and received the assistance of the U.S. Central Intelligence Agency (CIA), which helped him reclaim power in 1953. American intervention soured Iranian views of the United States for decades. Early in 1979, a revolution drove the shah into exile and brought a fundamentalist Shiite cleric, the Ayatollah Ruhollah Khomeini, to power (Shiites represent one branch of Islam, Sunnis the other). When the United States admitted the deposed shah into the country for cancer treatment, Iranian students seized the U.S. embassy in Tehran, taking sixty-six Americans hostage. The captors demanded that the shah be returned to Iran for trial. Carter refused. Instead, he suspended arms sales to Iran and froze Iranian assets in American banks.

For the next fourteen months, the **hostage crisis** paralyzed Carter's presidency. Night after night, humiliating pictures of blindfolded American hostages

AMERICAN VOICES

Christianity and Public Life

Modern social-welfare liberalism embodies an ethic of moral pluralism and favors the separation of church and state. Conservative Christians challenge the legitimacy of pluralism and secularism and seek, through political agitation and legal action, to make religion an integral part of public life.

President Ronald Reagan

"The Rule of Law Under God"

Reagan's candidacy was strongly supported by Christian conservatives. He delivered these remarks to the National Association of American Evangelicals in 1983.

I want you to know that this administration is motivated by a political philosophy that sees the greatness of America in you, her people, and in your families, churches, neighborhoods, communities — the institutions that foster and nourish values like concern for others and respect for the rule of law under God.

Now, I don't have to tell you that this puts us in opposition to, or at least out of step with, a prevailing attitude of many who have turned to a modern-day secularism, discarding the tried and time-tested values upon which our very civilization is based. No matter how well intentioned, their value system is radically different from that of most Americans. And while they proclaim that they're freeing us from superstitions of the past, they've taken upon themselves the job of superintending us by government rule and regulation. Sometimes their voices are louder than ours, but they are not yet a majority. . . .

Freedom prospers when religion is vibrant and the rule of law under God is acknowledged. When our Founding Fathers passed the First Amendment, they sought to protect churches from government interference. They never intended to construct a wall of hostility between government and the concept of religious belief itself.

Last year, I sent the Congress a constitutional amendment to restore prayer to public schools. Already this session, there's growing bipartisan support for the amendment, and I am calling on the Congress to act speedily to pass it and to let our children pray.

Source: Reprinted with the permission of Simon & Schuster, Inc. from *Speaking My Mind* by Ronald Reagan. Copyright © 1989 Ronald W. Reagan.

Donald E. Wildmon

Network Television as a Moral Danger

Wildmon was a Christian minister, a grassroots religious activist, and the founder of the American Family Association.

One night during the Christmas holidays of 1976, I decided to watch television with my family. . . . Not far into the program was a scene of adultery. I reacted to the situation in the manner as I had been taught. I asked one of the children to change channels. Getting involved in the second program, we were shocked with some crude profanity. . . .

As I sat in my den that night, I became angry. I had been disturbed by the deterioration of morals I had witnessed in the media and society during the previous twenty-five years.

This was accompanied by a dramatic rise in crime, a proliferation of pornography, increasingly explicit sexual lyrics in music, increasing numbers of broken homes, a rise in drug and alcohol use among the youth, and various other negative factors. . . .

Realizing that these changes were being brought into the sanctity of my home, I decided I could and would no longer remain silent. . . .

This great struggle is one of values, particularly which ones will be the standard for our society and a base for our system of justice in the years to come. For 200 years our country has based its morals, its sense of right and wrong, on the Christian view of man. The Ten Commandments and the Sermon on the Mount have been our solid foundation. . . .

Television is the most pervasive and persuasive medium we have. At times it is larger than life. It is our only true national medium. Network television is the greatest educator we have. . . .

It is teaching that adultery is an acceptable and approved lifestyle. . . . It is teaching that hardly anyone goes to church, that very few people in our society are Christian or live by Christian principles. How? By simply censoring Christian characters, Christian values, and Christian culture from the programs.

Source: From Donald E. Wildmon, *Home Invaders* (Elgin, IL: Victor Books, 1985). Copyright © 1985. Reprinted by permission of the author.

A. Bartlett Giamatti

The Moral Majority as a Threat to Liberty

A. Bartlett Giamatti was the president of Yale University (1978–1986) and subsequently commissioner of Major League Baseball. He offered these remarks to the entering class of Yale undergraduates in 1981.

A self-proclaimed "Moral Majority," and its satellite or client groups, cunning in the use of a native blend of old intimidation and new technology, threaten the values [of pluralism and freedom]. . . .

From the maw of this "morality" come those who presume to know what justice for all is; come those who presume to know which books are fit to read, which television programs are fit to watch. . . . From the maw of this "morality" rise the tax-exempt Savonarolas who believe they, and they alone, possess the "truth." There is no debate, no discussion, no dissent. They know. . . .
What nonsense.

What dangerous, malicious nonsense. . . .

We should be concerned that so much of our political and religious leadership acts intimidated for the moment and will not say with clarity that this most recent denial of the legitimacy of differentness is a radical assault on the very pluralism of peoples, political beliefs, values, forms of merit and systems of religion our country was founded to welcome and foster.

Liberty protects the person from unwarranted government intrusions into a dwelling or other private places. In our tradition the State is not omnipresent in the home. And there are other spheres of our lives and existence, outside the home, where the State should not be a dominant presence.

Freedom extends beyond spatial bounds. Liberty presumes an autonomy of self that includes freedom of thought, belief, expression, and certain intimate conduct.

Source: From Speeches and Articles by and about Presidents of Yale University (RU 65). Manuscripts and Archives, Yale University Library. Used by permission of Manuscripts and Archives, Yale University Library.

Anthony Kennedy

The Constitution Protects Privacy

Kennedy, a Roman Catholic, was named to the Supreme Court by Ronald Reagan in 1988. In *Lawrence v. Texas* (2003), which challenged a state antisodomy law, he wrote the opinion for five of the six justices in the majority; Sandra Day O'Connor wrote a concurring opinion.

The question before the Court is the validity of a Texas statute making it a crime for two persons of the same sex to engage in certain intimate sexual conduct.

In Houston, Texas, officers of the Harris County Police Department were dispatched to a private residence in response to a reported weapons disturbance. They entered an apartment where one of the petitioners, John Geddes Lawrence, resided. . . . The officers observed Lawrence and another man, Tyron Garner, engaging in a sexual act. The two petitioners were arrested, held in custody over night, and charged and convicted before a Justice of the Peace.

The complaints described their crime as "deviate sexual intercourse, namely [. . .] sex, with a member of the same sex (man)." . . .

We conclude the case should be resolved by determining whether the petitioners were free as adults to engage in the private conduct in the exercise of their liberty under the Due Process Clause of the Fourteenth Amendment to the Constitution.

[The Texas statute in question seeks] to control a personal relationship that, whether or not entitled to formal recognition in the law, is within the liberty of persons to choose without being punished as criminals. . . . The liberty protected by the Constitution allows homosexual persons the right to make this choice. . . .

. . . The petitioners are entitled to respect for their private lives. The State cannot demean their existence or control their destiny by making their private sexual conduct a crime. Their right to liberty under the Due Process Clause gives them the full right to engage in their conduct without intervention of the government. "It is a promise of the Constitution that there is a realm of personal liberty which the government may not enter."

Source: *Lawrence v. Texas*, 539 U.S. 558, 562–563, 567, 571, 579 (2003).

QUESTIONS FOR ANALYSIS

1. Compare the Ronald Reagan and Anthony Kennedy documents. What would Reagan think of the opinion written by Justice Kennedy, his appointee? Given his condemnation of those intent on "subordinating us to government rule and regulation," do you think he would agree with it? Why or why not?
2. According to Wildmon, what should be shown on television, and who should make those decisions? How would Giamatti answer that same question?
3. Consider the different points of view presented here. According to these sources, when should the government police private conduct?

American Hostages in Iran

Images of blindfolded, handcuffed American hostages seized by Iranian militants at the U.S. embassy in Tehran in November 1979 shocked the nation and created a foreign policy crisis that eventually cost President Carter his chance for reelection. Alain Mingam/Gamma/Zuma Press.

PLACE EVENTS IN CONTEXT

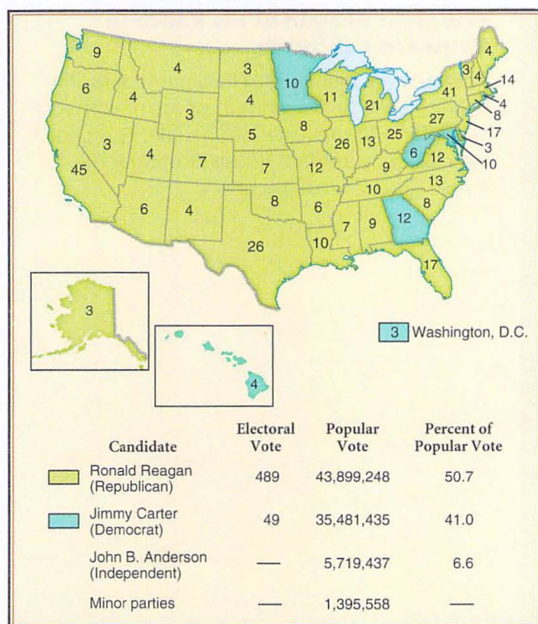
In terms of presidential politics and policy, how successful was Jimmy Carter's term, coming between two Republicans (Nixon and Reagan)?

appeared on television newscasts. An attempt to mount a military rescue in April 1980 had to be aborted because of equipment failures in the desert. Several months later, however, a stunning development changed the calculus on both sides: Iraq, led by Saddam Hussein, invaded Iran, officially because of a dispute over deep-water ports but also to prevent the Shiite-led Iranian Revolution from spreading across the border into Sunni-run Iraq. Desperate to focus his nation's attention on Iraq's invasion, Khomeini began to talk with the United States about releasing the hostages. Difficult negotiations dragged on past the American presidential election in November 1980, and the hostages were finally released the day after Carter left office — a final indignity endured by a well-intentioned but ineffectual president.

The Election of 1980 President Carter's sinking popularity hurt his bid for reelection. When the Democrats barely renominated him over his liberal challenger, Edward (Ted) Kennedy of Massachusetts, Carter's approval rating was historically low: a mere 21 percent of Americans believed that he was an effective president. The reasons were clear. Economically, millions of citizens were feeling the pinch from stagnant wages, high inflation, crippling mortgage rates, and an unemployment rate of nearly 8 percent. In international affairs, the nation blamed Carter for his weak response to Soviet expansion and the Iranians' seizure of American diplomats.

With Carter on the defensive, Reagan remained upbeat and decisive. "This is the greatest country in the world," Reagan reassured the nation in his warm baritone voice. "We have the talent, we have the drive. . . . All we need is the leadership." To emphasize his intention to be a formidable international leader, Reagan hinted that he would take strong action to win the hostages' return. To signal his rejection of liberal policies, he declared his opposition to affirmative action and forced busing and promised to "get the government off our backs." Most important, Reagan effectively appealed to the many Americans who felt financially insecure. In a televised debate with Carter, Reagan emphasized the hardships facing working- and middle-class Americans in an era of stagflation and asked them: "Are you better off today than you were four years ago?"

In November, the voters gave a clear answer. They repudiated Carter, giving him only 41.0 percent of the vote. Independent candidate John Anderson garnered 6.6 percent (with a few minor candidates receiving fractions of a percent), and Reagan won with 50.7 percent of the popular vote (Map 30.1). Moreover, the Republicans elected thirty-three new members of the House of Representatives and twelve new senators,



Candidate	Electoral Vote	Popular Vote	Percent of Popular Vote
Ronald Reagan (Republican)	489	43,899,248	50.7
Jimmy Carter (Democrat)	49	35,481,435	41.0
John B. Anderson (Independent)	—	5,719,437	6.6
Minor parties	—	1,395,558	—

MAP 30.1
The Presidential Election of 1980
Ronald Reagan easily defeated Democratic incumbent Jimmy Carter, taking 50.7 percent of the popular vote to Carter's 41.0 percent and winning the electoral vote in all but six states and the District of Columbia. Reagan cut deeply into the traditional Democratic coalition by wooing many southern whites, urban ethnics, and blue-collar workers. More than five million Americans expressed their discontent with Carter's ineffectiveness and Reagan's conservatism by voting for Independent candidate John Anderson, a longtime Republican member of the House of Representatives.

which gave them control of the U.S. Senate for the first time since 1954. The New Right's long road to national power had culminated in an election victory that signaled a new political alignment in the country.

The Dawning of the Conservative Age

By the time Ronald Reagan took office in 1981, conservatism commanded wider popular support than at any time since the 1920s. As the New Deal Democratic coalition continued to fragment, the Republican Party accelerated the realignment of the American electorate that had begun during the 1960s. Conservatism's ascendancy did more than realign the nation politically. Its emphasis on free markets, low taxes, and individual success shaped the nation's culture and inaugurated a conservative era. Reagan exhorted Americans, "Let the men and women of the marketplace decide what they want."

The Reagan Coalition

Reagan's decades in public life, especially his years working for General Electric, had equipped him to articulate conservative ideas in easily understandable aphorisms. Speaking against the growing size and influence of government, Reagan said, "Concentrated power has always been the enemy of liberty." Under his leadership, the core of the Republican Party remained the relatively affluent, white, Protestant voters who supported balanced budgets, opposed government activism, feared communism, and believed in a strong national defense. Reagan Republicanism also attracted middle-class suburbanites and migrants to the Sunbelt states who endorsed the conservative agenda of combating crime and limiting social-welfare spending. Suburban growth in particular, a phenomenon that reshaped metropolitan areas across the country in the 1960s and 1970s, benefitted conservatives politically. Suburban traditions of privatization and racial homogeneity, combined with the amenities of middle-class comfort, made the residents of suburban cities more inclined to support conservative public policies.

This emerging **Reagan coalition** was joined by a large and electorally key group of former Democrats that had been gradually moving toward the Republican Party since 1964: southern whites. Reagan capitalized on the "southern strategy" developed by Richard Nixon's advisors in the late 1960s. Many southern whites had lost confidence in the Democratic Party for a wide range of reasons, but one factor stood out: the party's support for civil rights. When Reagan came to Philadelphia, Mississippi, to deliver his first official speech as the Republican presidential nominee, his ringing endorsement of "states' rights" sent a clear message: he validated twenty-five years of southern opposition to federal civil rights legislation. Some of Reagan's advisors had warned him not to go to Philadelphia, the site of the tragic murder of three civil rights workers in 1964, but Reagan believed the opportunity to launch his campaign on a "states' rights" note too important. After 1980, southern whites would remain a cornerstone of the Republican coalition.

COMPARE AND CONTRAST
What different constituencies made up the Reagan coalition, and how would you characterize their regional, geographic, class, and racial composition?

The Religious Right proved crucial to the Republican victory as well. Falwell's **Moral Majority** claimed that it had registered

President Reagan at His Ranch in Southern California

Images of Reagan quickly became vital for the White House to deliver its message of conservative reform to the American people. This photo was taken by a White House photographer.
Ronald Reagan Presidential Library.

two million new voters for the 1980 election, and the Republican Party's platform reflected its influence. That platform called for a constitutional ban on abortion, voluntary prayer in public schools, and a mandatory death penalty for certain crimes. Republicans also demanded an end to court-mandated busing to achieve racial integration in schools, and, for the first time in forty years, opposed the Equal Rights Amendment. Within the Republican Party, conservatism had triumphed.

Reagan's broad coalition attracted the allegiance of another group dissatisfied with the direction of liberalism in the 1970s: blue-collar voters, a high number of Catholics among them, alarmed by antiwar protesters and rising welfare expenditures and hostile to feminist demands. Some observers saw these voters, which many called **Reagan Democrats**, as coming from the "silent majority" that Nixon had swung into the Republican fold in 1968 and 1972. They lived in heavily industrialized midwestern states such as Michigan, Ohio, and Illinois and had been a core part of the Democratic coalition for three decades. Reagan's victory in the 1980s thus hinged on both a revival of right-wing conservative activism and broad dissatisfaction with liberal Democrats — a dissatisfaction that had been building since 1968 but had been interrupted by the post-Watergate backlash against the Republican Party.

Conservatives in Power

The new president kept his political message clear and simple. "What I want to see above all," he remarked, "is that this country remains a country where someone can always get rich." Standing in the way, Reagan believed, was government. In his first year in office, Reagan and his chief advisor, James A. Baker III, quickly set new governmental priorities. To roll back the expanded liberal state, they launched a three-pronged assault on federal taxes, social-welfare spending, and the regulatory bureaucracy. To prosecute the Cold War, they advocated a vast increase in defense spending and an end to détente with the Soviet Union. And to match the resurgent economies of Germany and Japan, they set out to restore American leadership of the world's capitalist societies and to inspire renewed faith in "free markets."

Reaganomics

To achieve its economic objectives, the new administration advanced a set of policies, quickly dubbed **Reaganomics**, to increase the production (and thus the supply) of goods. The theory underlying **supply-side economics**, as this approach was called, emphasized investment in productive enterprises. According to supply-side theorists, the best way to bolster investment was to reduce the taxes paid by

corporations and wealthy Americans, who could then use these funds to expand production.

Supply-siders maintained that the resulting economic expansion would increase government revenues and offset the loss of tax dollars stemming from the original tax cuts. Meanwhile, the increasing supply would generate its own demand, as consumers stepped forward to buy ever more goods. Supply-side theory presumed — in fact, gambled — that future tax revenues would make up for present tax cuts. The idea had a growing list of supporters in Congress, led by an ex-professional football player from Buffalo named Jack Kemp. Kemp praised supply-side economics as "an alternative to the slow-growth, recession-oriented policies of the [Carter] administration."

Reagan took advantage of Republican control of the Senate, as well as high-profile allies such as Kemp, to win congressional approval of the 1981 **Economic Recovery Tax Act (ERTA)**, a massive tax cut that embodied supply-side principles. The act reduced income tax rates for most Americans by 23 percent over three years. For the wealthiest Americans — those with millions to invest — the highest marginal tax rate dropped from 70 to 50 percent. The act also slashed estate taxes, levies on inheritances instituted during the Progressive Era to prevent the transmission of huge fortunes from one generation to the next. Finally, the new legislation trimmed the taxes paid by business corporations by $150 billion over a period of five years. As a result of ERTA, by 1986 the annual revenue of the federal government had been cut by $200 billion (nearly half a trillion in 2010 dollars).

David Stockman, Reagan's budget director, hoped to match this reduction in tax revenue with a comparable cutback in federal expenditures. To meet this ambitious goal, he proposed substantial cuts in Social Security and Medicare. But Congress, and even the president himself, rejected his idea; they were not willing to antagonize middle-class and elderly voters who viewed these government entitlements as sacred. As conservative columnist George Will noted ironically, "Americans are conservative. What they want to conserve is the New Deal." After defense spending, Social Security and Medicare were by far the nation's largest budget items; reductions in other programs would not achieve the savings the administration desired. This contradiction between New Right Republican ideology and political reality would continue to frustrate the party into the twenty-first century.

A more immediate embarrassment confronted conservatives, however. In a 1982 *Atlantic* article, Stockman admitted that supply-side theory was based on faith, not economics. To produce optimistic projections of higher tax revenue in future years, Stockman had manipulated the figures. Worse, Stockman told the *Atlantic* reporter candidly that supply-side theory was based on a long-discredited idea: the "trickle-down" notion that helping the rich would eventually benefit the lower and middle classes. Stockman had drawn back the curtain, much to Republicans' consternation, on the flawed reasoning of supply-side theory. But it was too late. The plan had passed Congress, and since Stockman could not cut major programs such as Social Security and Medicare, he had few options to balance the budget.

As the administration's spending cuts fell short, the federal budget deficit increased dramatically. Military spending contributed a large share of the growing **national debt**. But President Reagan remained undaunted. "Defense is not a budget item," he declared. "You spend what you need." To "make America number one again," Reagan and Defense Secretary Caspar Weinberger pushed through Congress a five-year, $1.2 trillion military spending program in 1981. During Reagan's presidency, military spending accounted for one-fourth of all federal expenditures and contributed to rising annual budget deficits (the amount overspent by the government in a single year) and a skyrocketing national debt (the cumulative total of all budget deficits). By the time Reagan left office, the total federal debt had tripled, rising from $930 billion in 1981 to $2.8 trillion in 1989. The rising annual deficits of the 1980s contradicted Reagan's pledge of fiscal conservatism (Figure 30.1).

Deregulation Advocates of Reaganomics asserted that excessive regulation by federal agencies impeded economic growth. **Deregulation** of prices in the trucking, airline, and railroad industries had begun under President Carter in the late 1970s, but Reagan expanded the mandate to include cutting back on government protections of consumers, workers, and the environment. Some of the targeted federal bureaucracies, such as the U.S. Department of Labor, had risen to prominence during the New Deal; others, such as the Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency (EPA), had been created during the Johnson and Nixon administrations. Although these agencies provided many services to business corporations, they also increased their costs — by protecting the rights of workers, mandating safety improvements in factories, and requiring expensive equipment to limit the release of toxic chemicals into the environment. To reduce the

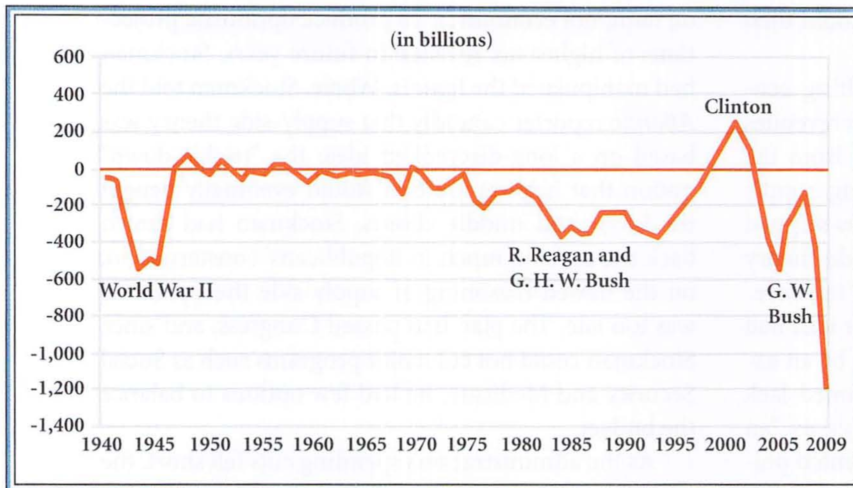


FIGURE 30.1

The Annual Federal Budget Deficit (or Surplus), 1940–2009

During World War II, the federal government incurred an enormous budget deficit. But between 1946 and 1965, it ran either an annual budget surplus or incurred a relatively small debt. The annual deficits rose significantly during the Vietnam War and the stagflation of the 1970s, but they really exploded between 1982 and 1994, in the budgets devised by the Ronald Reagan and George H. W. Bush administrations, and again between 2002 and 2005, in those prepared by George W. Bush. The Republican presidents increased military spending while cutting taxes, an enjoy-it-now philosophy that transferred costs to future generations of Americans.

reach of federal regulatory agencies, the Reagan administration in 1981 cut their budgets, by an average of 12 percent.

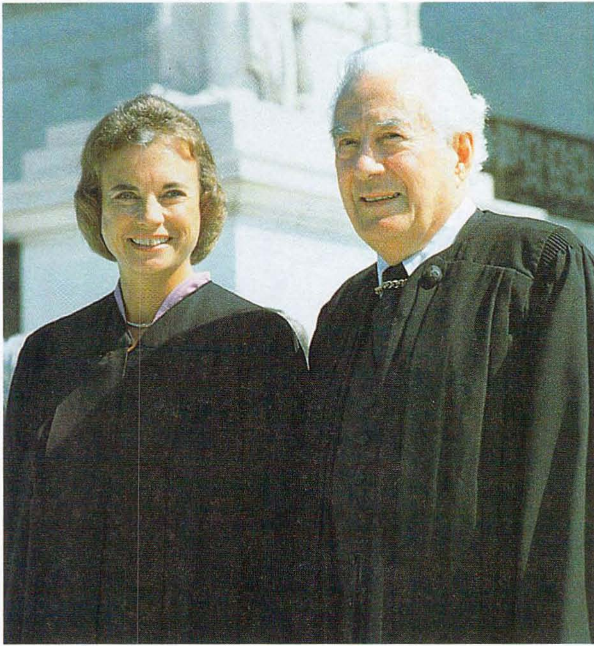
Reagan also rendered regulatory agencies less effective by staffing them with leaders who were opposed to the agencies' missions. James Watt, an outspoken conservative who headed the Department of the Interior, attacked environmentalism as "a left-wing cult." Acting on his free-enterprise principles, Watt opened public lands for use by private businesses — oil and coal corporations, large-scale ranchers, and timber companies. Anne Gorsuch Burford, whom Reagan appointed to head the EPA, likewise disparaged environmentalists and refused to cooperate with Congress to clean up toxic waste sites under a program known as the Superfund. The Sierra Club and other environmental groups aroused enough public outrage about these appointees that the administration changed its position. During President Reagan's second term, he significantly increased the EPA's budget and added acreage to the National Wilderness Preservation System and animals and plants to the endangered species lists.

Ultimately, as these adjustments demonstrate, politics in the United States remained "the art of the possible." Savvy politicians know when to advance and when to retreat. Having attained two of his prime goals — a major tax cut and a dramatic increase in defense spending — Reagan did not seriously attempt to scale back big government and the welfare state. When he left office in 1989, federal spending stood at 22.1 percent of the gross domestic product (GDP) and federal taxes at 19 percent of GDP, both virtually the same as in 1981. In the meantime, though, the federal debt had tripled in size, and the number of government workers had increased from 2.9 to 3.1 million. This outcome — because it cut against the president's rhetoric about balancing budgets and downsizing government — elicited harsh criticism from some conservative commentators. "There was no Reagan Revolution," one conservative noted. A former Reagan aide offered a more balanced assessment: "Ronald Reagan did far less than he had hoped . . . and a hell of a lot more than people thought he would."

EXPLAIN CONSEQUENCES

Why was Reagan unable to reduce federal expenditures as much as many of his supporters had hoped?

Remaking the Judiciary Even if he did not achieve everything many of his supporters desired, Reagan left an indelible imprint on politics, public policy, and American culture. One place this imprint was felt in far-reaching ways was the judiciary, where Reagan and his attorney general, Edwin Meese, aimed at reversing the liberal judicial philosophy that had prevailed since the late 1950s. During his two terms, Reagan appointed 368 federal court judges — most of them with conservative credentials — and three Supreme Court justices: Sandra Day O'Connor (1981), Antonin Scalia (1986), and Anthony Kennedy (1988). Ironically, O'Connor and Kennedy turned out to be far less devoted to New Right conservatism than Reagan and his supporters imagined. O'Connor, the first woman to serve on the Court, shaped its decision making as a swing vote between liberals and conservatives. Kennedy also emerged as a judicial moderate, leaving Scalia as Reagan's only genuinely conservative appointee.



Another Barrier Falls

In 1981, Sandra Day O'Connor, shown here with Chief Justice Warren Burger, was appointed to the Supreme Court by President Ronald Reagan, the first woman to serve on that body. In 1993, she was joined by Ruth Bader Ginsburg, an appointee of President Bill Clinton. O'Connor emerged as a leader of the moderate bloc on the Court during the 1990s; she retired in 2006. Black Star/Stockphoto.com.

But Reagan also elevated Justice William Rehnquist, a conservative Nixon appointee, to the position of chief justice. Under Rehnquist's leadership (1986–2005), the Court's conservatives took an activist stance, limiting the reach of federal laws, ending court-ordered busing, and endorsing constitutional protection of property rights. However, on controversial issues such as individual liberties, abortion rights, affirmative action, and the rights of criminal defendants, the presence of O'Connor enabled the Court to resist the rightward drift and to maintain a moderate position. As a result, the justices scaled back, but did not usually overturn, the liberal rulings of the Warren and Burger Courts. In the controversial *Webster v. Reproductive Health Services* (1989), for instance, Scalia pushed for the justices to overturn the abortion-rights decision in *Roe v. Wade* (1973). O'Connor refused, but she nonetheless approved the constitutional validity of state laws that limited the use of public funds and facilities for abortions. A more conservative federal judiciary would remain a significant institutional legacy of the Reagan presidency.

HIV/AIDS Another conservative legacy was the slow national response to one of the worst disease epidemics of the postwar decades. The human immunodeficiency virus (HIV), a deadly (though slow-acting) pathogen, developed in Africa when a chimpanzee virus jumped to humans; immigrants carried it to Haiti and then to the United States during the 1970s. In 1981, American physicians identified HIV as a new virus—one that caused a disease known as acquired immunodeficiency syndrome (AIDS). Hundreds of gay men, who were prominent among the earliest carriers of the virus, were dying of AIDS. Within two decades, **HIV/AIDS** had spread worldwide, infected more than 50 million people of both sexes, and killed more than 20 million.

Within the United States, AIDS took nearly a hundred thousand lives in the 1980s—more than were lost in the Korean and Vietnam Wars combined. However, because its most prominent early victims were gay men, President Reagan, emboldened by New Right conservatives, hesitated in declaring a national health emergency. Some of Reagan's advisors asserted that this "gay disease" might even be God's punishment of homosexuals. Between 1981 and 1986, as the epidemic spread, the Reagan administration took little action—worse, it prevented the surgeon general, C. Everett Koop, from speaking forthrightly to the nation about the disease. Pressed by gay activists and prominent health officials from across the country, in Reagan's last years in office the administration finally began to devote federal resources to treatment for HIV and AIDS patients and research into possible vaccines. But the delay had proved costly, inhumane, and embarrassing.

Morning in America

During his first run for governor of California in 1966, Reagan held a revelatory conversation with a campaign consultant. "Politics is just like the movies," Reagan told him. "You have a hell of an opening, coast for a while, and then have a hell of a close." Reagan indeed had a "hell of an opening": one of the most lavish and expensive presidential inaugurations in American history in 1981 (and another in 1985), showing that he was unafraid to celebrate luxury and opulence, even with millions of Americans unemployed.

Following his spectacular inauguration, Reagan quickly won passage of his tax reduction bill and launched his plan to bolster the Pentagon. But then a long "coasting" period descended on his presidency, during which he retreated on tax cuts and navigated a major foreign policy scandal. Finally, toward the end of his two-term presidency, Reagan found his "hell of

HIV/AIDS

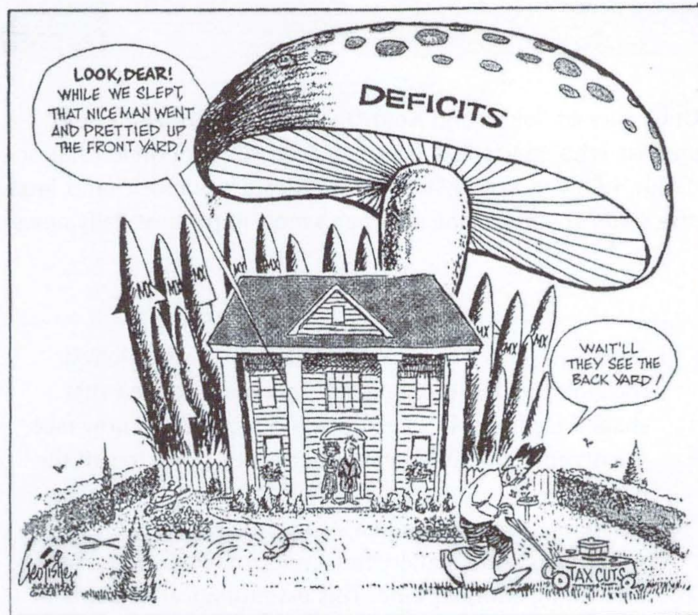
The HIV/AIDS epidemic hit the United States in the early 1980s and remained a major social and political issue throughout the decade. Here, AIDS patients and their supporters participate in the 1987 March on Washington for Gay and Lesbian Rights, demanding that the Reagan administration commit more federal resources to finding a cure for the deadly disease. © Bettmann/Corbis.

a close," leaving office as major reforms — which he encouraged from afar — had begun to tear apart the Soviet Union and bring an end to the Cold War. Through all the ups and downs, Reagan remained a master of the politics of symbolism, championing a resurgent American economy and reassuring the country that the pursuit of wealth was noble and that he had the reins of the nation firmly in hand.

Reagan's tax cuts had barely taken effect when he was forced to reverse course. High interest rates set by the Federal Reserve Board had cut the runaway inflation of the Carter years. But these rates — as high as 18 percent — sent the economy into a recession in 1981–1982 that put 10 million Americans out of work and shuttered 17,000 businesses. Unemployment neared 10 percent, the highest rate since the Great Depression. These troubles, combined with the booming deficit, forced Reagan to negotiate a tax increase with Congress in 1982 — to the loud complaints of supply-side diehards. The president's job rating plummeted, and in the 1982 midterm elections Democrats picked up twenty-six seats in the House of Representatives and seven state governorships.

Election of 1984 Fortunately for Reagan, the economy had recovered by 1983, restoring the president's job approval rating just in time for the 1984 presidential election. During the campaign, Reagan emphasized the economic resurgence, touring the country promoting his tax policies and the nation's new prosperity. The Democrats nominated former vice president Walter Mondale of Minnesota. With strong ties to labor unions, ethnic and racial minority groups, and party leaders, Mondale epitomized the New Deal coalition. He selected Representative Geraldine Ferraro of New York as his running mate — the first woman to run on the presidential ticket of a major political party. Neither Ferraro's presence nor Mondale's credentials made a difference, however: Reagan won a landslide victory, losing only Minnesota and the District of Columbia. Still, Democrats retained their majority in the House and, in 1986, regained control of the Senate.

Reagan's 1984 campaign slogan, "It's Morning in America," projected the image of a new day dawning on a confident people. In Reagan mythology, the United States was an optimistic nation of small towns, close-knit families, and kindly neighbors. "The success story of America," he once said, "is neighbor helping neighbor." The mythology may not have reflected the *actual* nation — which was overwhelmingly urban and suburban, and in which the hard knocks of capitalism held down more than opportunity elevated — but that mattered little. Reagan's remarkable ability to produce



Presidential Landscaping

As the cartoon published by the *Arkansas Gazette* illustrates, powerful imagery was also wielded by Reagan's political opponents. Used with permission/ Arkansas Democrat-Gazette, 1984.

positive associations and feelings, alongside robust economic growth after the 1981–1982 recession, helped make the 1980s a decade characterized by both backward-looking nostalgia and aggressive capitalism.

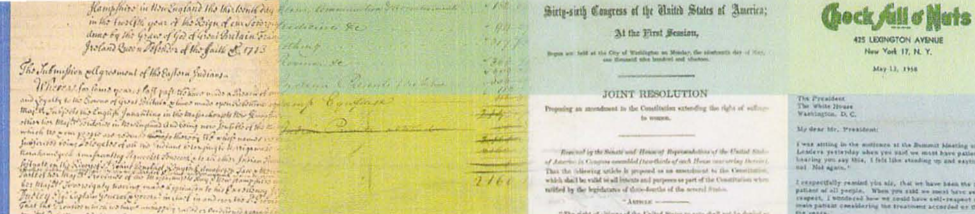
Return to Prosperity Between 1945 and the 1970s, the United States was the world's leading exporter of agricultural products, manufactured goods, and investment capital. Then American manufacturers lost market share, undercut by cheaper and better-designed products from West Germany and Japan. By 1985, for the first time since 1915, the United States registered a negative balance of international payments. It now imported more goods and capital than it exported. The country became a debtor (rather than a creditor) nation. The rapid ascent of the Japanese economy to become the world's second largest was a key factor in this historic reversal (America Compared, p. 988). More than one-third of the American annual trade deficit of $138 billion in the 1980s was from trade with Japan, whose corporations exported huge quantities of electronic goods and made nearly one-quarter of all cars bought in the United States.

Meanwhile, American businesses grappled with a worrisome decline in productivity. Between 1973 and 1992, American productivity (the amount of goods or services per hour of work) grew at the meager rate of 1 percent a year — a far cry from the post–World War II rate of 3 percent. Because managers wanted to cut costs, the wages of most employees stagnated. Further, because of foreign competition, the number of high-paying, union-protected manufacturing jobs shrank. By 1985, more people in the United States worked for McDonald's slinging Big Macs than rolled out rails, girders, and sheet steel in the nation's steel industry.

A brief return to competitiveness in the second half of the 1980s masked the steady long-term transformation of the economy that had begun in the 1970s. The nation's heavy industries — steel, autos, chemicals — continued to lose market share to global competitors. Nevertheless, the U.S. economy grew at the impressive average rate of 2 to 3 percent per year for much of the late 1980s and 1990s (with a short recession in 1990–1991). What had changed was the direction of growth and its beneficiaries. Increasingly, financial services, medical services, and computer technology — service industries, broadly speaking — were the leading sectors of growth. This shift in the underlying foundation of the American economy, from manufacturing to service, from making *things* to producing *services*, would have long-term consequences for the global competitiveness of U.S. industries and the value of the dollar.

Culture of Success The economic growth of the second half of the 1980s popularized the materialistic values championed by the free marketeers. Every era has its capitalist heroes, but Americans in the 1980s celebrated wealth accumulation in ways unseen since the 1920s. When the president christened self-made entrepreneurs "the heroes for the eighties," he probably had people like Lee Iacocca in mind. Born to Italian

AMERICA COMPARED



Yoichi Funabashi

"Japan and America: Global Partners"

Educated at the University of Tokyo and Keio University, Yoichi Funabashi is a prize-winning journalist who specializes in the U.S.-Japan economic relationship. During the 1980s, he lived in the United States as a columnist (and later bureau chief) for the *Asahi Shimbun*, one of Japan's most important daily newspapers.

As Japan struggled to rebuild itself after World War II, the charismatic Shigeru Yoshida, prime minister during the critical years of 1948 to 1952, called on the country to be a good loser. The Japanese have lost the war, he said, but they must not lose heart. Japan must cooperate with the United States, and pull itself out of misery and disgrace. The Japanese did indeed cooperate willingly with the Allied occupation — with the American (and British) "devils" whom they had been taught for years to despise to the very core of their souls. . . .

Postwar Japan went on to prove that it could indeed be a good loser. Under the new constitution promulgated under the guidance of the occupation, it has developed into a democratic country with a relatively moderate disparity between rich and poor and a stable, smoothly functioning political system. . . .

The Japanese-U.S. relationship has thus come to occupy a truly unique position in world history. Never before has a multiethnic, contract-based society and a homogenous, traditional society joined together to form such a powerful team. As global powers, Japan and the United States combined have a decisive impact on world politics; it follows that their future relations will largely determine the blueprints of multilateral cooperation and world stability in the coming century. . . .

Potential sources of bilateral friction are as numerous as ever: the trade imbalance, market liberalization, growing Japanese investment in the United States, heavy U.S. dependence on Japanese technology, and so on. Occasional outbursts of economic nationalism, or "revisionist" thinking are probably inevitable as the debate over these issues unfolds. . . .

Of far greater concern, however, is that Japanese-U.S. relations now face their gravest challenge since 1945. The end of the Cold War has drastically altered the global geopolitical and geoeconomic context that shaped Japanese-U.S. relations. Both countries now face the urgent need to redefine their relationship to suit the new context. . . .

Before they can build a strong bilateral relationship, Americans and Japanese must outgrow their obsession with being Number One. This psychological adjustment is absolutely necessary for both peoples. Projecting the nature of its own hierarchical society, Japan tends to view the rest of the world, it is said, in terms of ranking. This inclination fosters behavior patterns that are oriented more toward what to *be* than what to *do*. Japan is also overly conscious of itself as a late-starter, having entered modern international society only in the mid-nineteenth century, and this history has made catching up with and outpacing other countries a sort of national pastime. . . . It may be even more difficult for the United States, which dominated the free world during the Cold War, to make the psychological adjustments required to enter into a partnership with Japan that is truly equal.

Source: Yoichi Funabashi, "Japan and America: Global Partners," *Foreign Policy* 86 (Spring 1992): 24–39.

QUESTIONS FOR ANALYSIS

1. Among the "sources of bilateral friction" Funabashi lists the trade imbalance and Japanese investment in the United States. Why would these cause friction?
2. How had the U.S.-Japan relationship changed between 1945 and the 1980s?

immigrants and trained as an engineer, Iacocca rose through the ranks to become president of the Ford Motor Corporation. In 1978, he took over the ailing Chrysler Corporation and made it profitable again — by securing a crucial $1.5 billion loan from the U.S. government, pushing the development of new cars, and selling them on TV. His patriotic commercials in the 1980s echoed Reagan's rhetoric: "Let's make American mean something again." Iacocca's restoration would not endure, however: in 2009, Chrysler

declared bankruptcy and was forced to sell a majority stake to the Italian company Fiat.

If Iacocca symbolized a resurgent corporate America, high-profile financial wheeler-dealers also captured Americans' imagination. One was Ivan Boesky, a white-collar criminal convicted of insider trading (buying or selling stock based on information from corporate insiders). "I think greed is healthy," Boesky told a business school graduating class. Boesky inspired the fictional film character Gordon Gekko, who proclaimed "Greed is good!" in 1987's *Wall Street.* A new generation of Wall Street executives, of which Boesky was one example, pioneered the leveraged buyout (LBO). In a typical LBO, a financier used heavily leveraged (borrowed) capital to buy a company, quickly restructured that company to make it appear spectacularly profitable, and then sold it at a higher price.

To see a movie still from *Wall Street*, along with other primary sources from this period, see ***Sources for America's History***.

Americans had not set aside the traditional work ethic, but the Reagan-era public was fascinated with money and celebrity. (The documentary television show *Lifestyles of the Rich and Famous* began its run in 1984.) One of the most enthralling of the era's money moguls was Donald Trump, a real estate developer who craved publicity. In 1983, the flamboyant Trump built the equally flamboyant Trump Towers in New York City. At the entrance of the $200 million apartment building stood two enormous bronze *T*'s, a display of self-promotion reinforced by the media. Calling him "The Donald," a nickname used by Trump's first wife, TV reporters and magazines commented relentlessly on his marriages, divorces, and glitzy lifestyle.

The Computer Revolution While Trump grabbed headlines and made splashy real estate investments, a handful of quieter, less flashy entrepreneurs was busy changing the face of the American economy. Bill Gates, Paul Allen, Steve Jobs, and Steve Wozniak were four entrepreneurs who pioneered the computer revolution in the late 1970s and 1980s (Thinking Like a Historian, p. 990). They took a technology that had been used exclusively for large-scale enterprises — the military and multinational corporations — and made it accessible to individual consumers. Scientists had devised the first computers for military purposes during World War II. Cold War military research subsequently funded the construction of large mainframe computers. But government and private-sector first-generation computers were bulky, cumbersome machines that had to be placed in large air-conditioned rooms.

Between the 1950s and the 1970s, concluding with the development of the microprocessor in 1971, each generation of computers grew faster and smaller. By the mid-1970s, a few microchips the size of the letter *O* on this page provided as much processing power as a World War II–era computer. The day of the personal computer (PC) had arrived. Working in the San Francisco Bay Area, Jobs and Wozniak founded Apple Computers in 1976 and within a year were producing small, individual computers that could be easily used by a single person. When Apple enjoyed success, other companies scrambled to get into the market. International Business Machines (IBM) offered its first personal computer in 1981, but Apple Corporation's 1984 Macintosh computer (later shortened to "Mac") became the first runaway commercial success for a personal computer.

UNDERSTAND POINTS OF VIEW

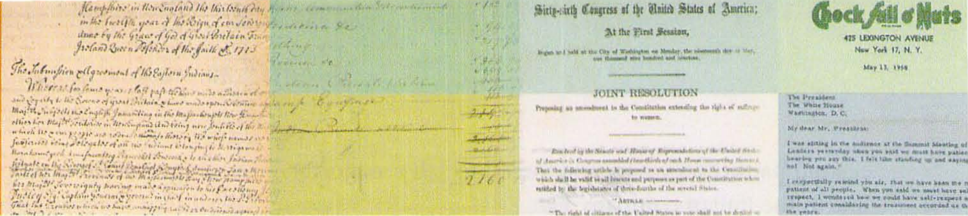
In what ways did American society embrace economic success and individualism in the 1980s?

Meanwhile, two former high school classmates, Gates, age nineteen, and Allen, age twenty-one, had set a goal in the early 1970s of putting "a personal computer on every desk and in every home." They recognized that software was the key. In 1975, they founded the Microsoft Corporation, whose MS-DOS and Windows operating systems soon dominated the software industry. By 2000, the company's products ran nine out of every ten personal computers in the United States and a majority of those around the world. Gates and Allen became billionaires, and Microsoft exploded into a huge company with 57,000 employees and annual revenues of $38 billion. In three decades, the computer had moved from a few military research centers to thousands of corporate offices and then to millions of people's homes. Ironically, in an age that celebrated free-market capitalism, government research and government funding had played an enormous role in the development of the most important technology since television.

The End of the Cold War

Ronald Reagan entered office determined to confront the Soviet Union diplomatically and militarily. Backed by Republican and Democratic hard-liners alike, Reagan unleashed some of the harshest Cold War rhetoric since the 1950s, labeling the Soviet Union an "evil

THINKING LIKE A HISTORIAN



Personal Computing: A Technological Revolution

Considered historically, computers are a strikingly new phenomenon. The ancestors of the first computers were developed in the 1940s using vacuum tubes and transistors. Integrated circuits were introduced in the 1950s and the first microprocessor in the 1970s. Prior to the decade of the 1980s, only the federal government and large corporations and institutions used computers, which were massive in size and expensive to purchase. In the 1980s, inventors and entrepreneurs developed the first "personal" computers, which could fit on desks or tables and were soon within the price range of ordinary families. The computers we know today date from that decade. Another enormous change came in the mid-1990s, when the Internet, whose forerunner was a U.S. Defense Department computer network, became widely available to the public for the first time.

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1. Moore's law, 1965. *In 1965, the electronics engineer Gordon Moore calculated that the number of transistors on an integrated circuit doubled roughly every two years, meaning that the power of computers was increasing at that rate.*

The complexity for minimum component costs has increased at a rate of roughly a factor of two per year. Certainly over the short term this rate can be expected to continue, if not increase. . . . That means by 1975, the number of components per integrated circuit for minimum cost will be 65,000.

I believe that such a large circuit can be built on a single wafer.

2. Scene from *2001: A Space Odyssey*, 1968. *In this scene from an acclaimed science fiction film, a space station's computer system, named HAL, defends itself against an astronaut who is determined to shut down the computer.*

Dave Bowman: Hello, HAL. Do you read me, HAL?
HAL: Affirmative, Dave. I read you.
DB: Open the pod bay doors, HAL.
HAL: I'm sorry, Dave. I'm afraid I can't do that.
DB: What's the problem?
HAL: I think you know what the problem is just as well as I do.
DB: What are you talking about, HAL?
HAL: This mission is too important for me to allow you to jeopardize it.
DB: I don't know what you're talking about, HAL.
HAL: I know that you and Frank were planning to disconnect me, and I'm afraid that's something I cannot allow to happen.
DB: Where the hell did you get that idea, HAL?
HAL: Dave, although you took very thorough precautions in the pod against my hearing you, I could see your lips move.
DB: Alright, HAL. I'll go in through the emergency airlock.
HAL: Without your space helmet, Dave? You're going to find that rather difficult.
DB: HAL, I won't argue with you anymore! Open the door!
HAL: Dave, this conversation can serve no purpose anymore. Goodbye.

3. Neil Ardley, *World of Tomorrow: School, Work, and Play*, 1981. *In this book written for teenagers, Neil Ardley speculated about the future of computers.*

Imagine you are living in the future, and are doing a project on Halley's comet. It's quite some time since it last appeared in 1986, and you want to find out when it will again be seen from Earth. You also want to know the results of a space mission to the comet, and find out what the comet is made of.

In the days when the last comet appeared, you would have had to look up Halley's comet in an encyclopedia or a book on astronomy. If you didn't possess these books, you would have gone to the library to get the information. . . .

People still collect books as valuable antiques or for a hobby, but you get virtually all the information you need from the viewscreen of your home computer. The computer is linked to a library — not a library of books but an electronic library where information on every subject is stored in computer memory banks. . . .

Computers will make the world of tomorrow a much safer place. They will do away with cash, so that you need

no longer fear being attacked for your money. In addition, you need not worry that your home will be burgled or your car stolen. The computers in your home and car will guard them, allowing only yourself to enter or someone with your permission.

4. **Scene from *Terminator*, 1984.** *A national defense computer network called Skynet decides to exterminate humanity in the film* Terminator.

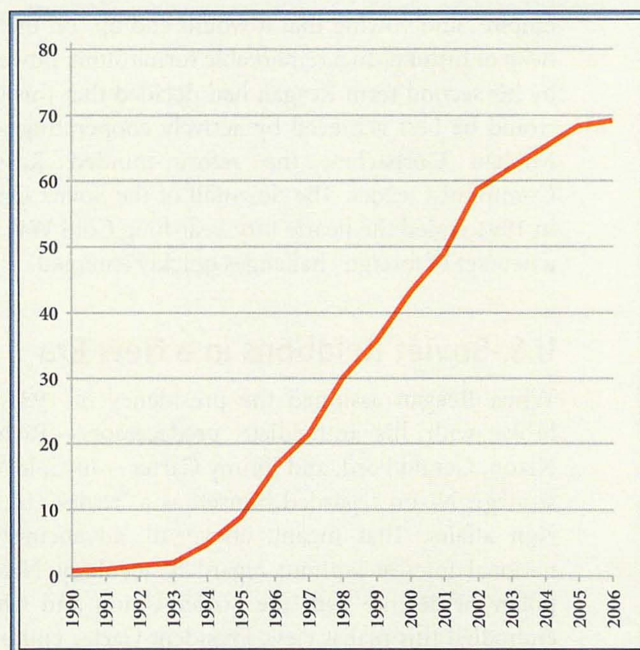
Reese: There was a war. A few years from now. Nuclear war. The whole thing. All this — [His gesture includes the car, the city, the world.] — everything is gone. Just gone. There were survivors. Here. There. Nobody knew who started it. (pause) It was the machines.
Sarah: I don't understand. . . .
Reese: Defense network computer. New. Powerful. Hooked into everything. Trusted to run it all. They say it got smart . . . a new order of intelligence. Then it saw all people as a threat, not just the ones on the other side. Decided our fate in a microsecond . . . extermination.

5. **Interview with Steve Jobs, February 1, 1985.** *Apple founder Steve Jobs, one of the pioneers of the personal computer, discusses the future of computers and computer networks.*

Question: Why should a person buy a computer?
Steve Jobs: There are different answers for different people. In business, that question is easy to answer: You can really prepare documents much faster and at a higher quality level, and you can do many things to increase office productivity. A computer frees people from much of the menial work. . . . Remember computers are tools. Tools help us do our work better. In education, computers are the first thing to come along since books that will sit there and interact with you endlessly, without judgment. . . .

Question: What will change?
Steve Jobs: The most compelling reason for most people to buy a computer for the home [in the future] will be to link it into a nationwide communications network. We're just in the beginning stages of what will be a truly remarkable breakthrough for most people — as remarkable as the telephone.

6. **Percentage of Americans using the Internet.**



Sources: (1) G. E. Moore, "Cramming More Components onto Integrated Circuits," *Electronics*, April 19, 1965, 114; (2) *2001: A Space Odyssey*, Screenplay by Stanley Kubrick and Arthur C. Clarke (Hawk Films Ltd. and MGM Studios, 1967); (3) Neil Ardley, *World of Tomorrow: School, Work, and Play* (New York: Franklin Watts, 1981), 20–27; (4) *Terminator*, Screenplay by James Cameron and Gale Anne Hurd, Fifth Draft (Pacific Western Productions, Inc., March 11, 1984), 134; (5) *Playboy*, February 1, 1985, 52.

ANALYZING THE EVIDENCE

1. Compare sources 2 and 4. Anxiety about the extraordinary power of computers has been a regular feature of science fiction, both in writing and in film, since the late 1950s. What do the scenes from these two films tell us about the cultural reactions to computers early in their development?
2. How does source 3 offer a different vision of a future with computers? Why do you think cultural responses to computers tend to swing between extreme anxiety and equally extreme optimism?
3. How does Steve Jobs's assessment of computers in source 5 compare with those in the other documents? Should we trust his judgment more because he is closer to their actual development? Why or why not?

PUTTING IT ALL TOGETHER

Drawing on the history of personal computers discussed in this chapter, as well as on the documents above, write an essay in which you assess the origin of the personal computer. What cultural reactions and predictions surrounded the computer's birth? What economic and social transformations did it have the potential to unleash? You might also consider a comparison of the Industrial Revolution of the second half of the nineteenth century and the "computer revolution" of the late twentieth century. Are there parallels in how each development transformed American society?

empire" and vowing that it would end up "on the ash heap of history." In a remarkable turnaround, however, by his second term Reagan had decided that this goal would be best achieved by actively cooperating with Mikhail Gorbachev, the reform-minded Russian Communist leader. The downfall of the Soviet Union in 1991 ended the nearly fifty-year-long Cold War, but a new set of foreign challenges quickly emerged.

U.S.-Soviet Relations in a New Era

When Reagan assumed the presidency in 1981, he broke with his immediate predecessors — Richard Nixon, Gerald Ford, and Jimmy Carter — in Cold War strategy. Nixon regarded himself as a "realist" in foreign affairs. That meant, above all, advancing the national interest without regard to ideology. Nixon's policy of détente with the Soviet Union and China embodied this realist view. President Carter endorsed détente and continued to push for relaxing Cold War tensions. This worked for a time, but the Soviet invasion of Afghanistan empowered hard-liners in the U.S. Congress and forced Carter to take a tougher line — which he did with the Olympic boycott and grain embargo. This was the relationship Reagan inherited in 1981: a decade of détente that had produced a noticeable relaxation of tensions with the communist world, followed by a year of tense standoffs over Soviet advances into Central Asia, which threatened U.S. interests in the Middle East.

Reagan's Cold War Revival Conservatives did not believe in détente. Neither did they believe in the containment policy that had guided U.S. Cold War strategy since 1947. Reagan and his advisors wanted to *defeat*, not merely contain, the Soviet Union. His administration pursued a two-pronged strategy toward that end. First, it abandoned détente and set about rearming America. Reagan's military budgets authorized new weapons systems, dramatically expanded military bases, and significantly expanded the nation's nuclear arsenal. This buildup in American military strength, reasoned Secretary of Defense Caspar Weinberger, would force the Soviets into an arms race that would strain their economy and cause domestic unrest. One of the most controversial aspects of the buildup was Reagan's proposal for a Strategic Defense Initiative — popularly known as "Star Wars" — a satellite-based system that would, theoretically, destroy nuclear missiles in flight. Scientists doubted its viability, and it was never built. The Reagan administration also proposed the Strategic Arms Reduction Talks (START) with the Soviet Union, in which the United States put forward a plan calculated to increase American advantage in sea- and air-based nuclear systems over the Soviet's ground-based system.

Second, the president supported CIA initiatives to roll back Soviet influence in the developing world by funding anticommunist movements in Angola, Mozambique, Afghanistan, and Central America. To accomplish this objective, Reagan supported repressive, right-wing regimes. Nowhere was this more conspicuous in the 1980s than in the Central American countries of Guatemala, Nicaragua, and El Salvador. Conditions were unique in each country but held to a pattern: the United States sided with military dictatorships and oligarchies if democratically elected governments or left-wing movements sought support from the Soviet Union. In Guatemala, this approach produced a brutal military rule — thousands of opponents of the government were executed or kidnapped. In Nicaragua, Reagan actively encouraged a coup against the left-wing Sandinista government, which had overthrown the U.S.-backed strongman Anastasio Somoza. And in El Salvador, the U.S.-backed government maintained secret "death squads," which murdered members of the opposition. In each case, Reagan blocked Soviet influence, but the damage done to local communities and to the international reputation of the United States, as in Vietnam, was great.

Iran-Contra Reagan's determination to oppose left-wing movements in Central America engulfed his administration in a major scandal during the president's second term. For years, Reagan had denounced Iran as an "outlaw state" and a supporter of terrorism. But in 1985, he wanted its help. To win Iran's assistance in freeing two dozen American hostages held by Hezbollah, a pro-Iranian Shiite group in Lebanon, the administration sold arms to Iran without public or congressional knowledge. While this secret arms deal was diplomatically and politically controversial, the use of the resulting profits in Nicaragua was explicitly illegal. To overthrow the democratically elected **Sandinistas**, whom the president accused of threatening U.S. business interests, Reagan ordered the CIA to assist an armed opposition group called the **Contras** (Map 30.2). Although Reagan praised the Contras as "freedom fighters," Congress worried that the president and other executive branch agencies were assuming war-making powers that the Constitution reserved to the legislature. In 1984, Congress banned the CIA and all other government agencies from providing any military support to the Contras.

Iran-Contra

The 1987 Iran-Contra congressional hearings, which lasted more than a month and were broadcast on live television, helped to uncover a secret and illegal White House scheme to provide arms to the Nicaraguan Contras. Though Lt. Col. Oliver North (shown here during his testimony before Congress) concocted much of the scheme and was convicted of three felonies, he never served prison time and emerged from the hearings as a populist hero among American conservatives, who saw him as a patriot. © Bettmann/Corbis.

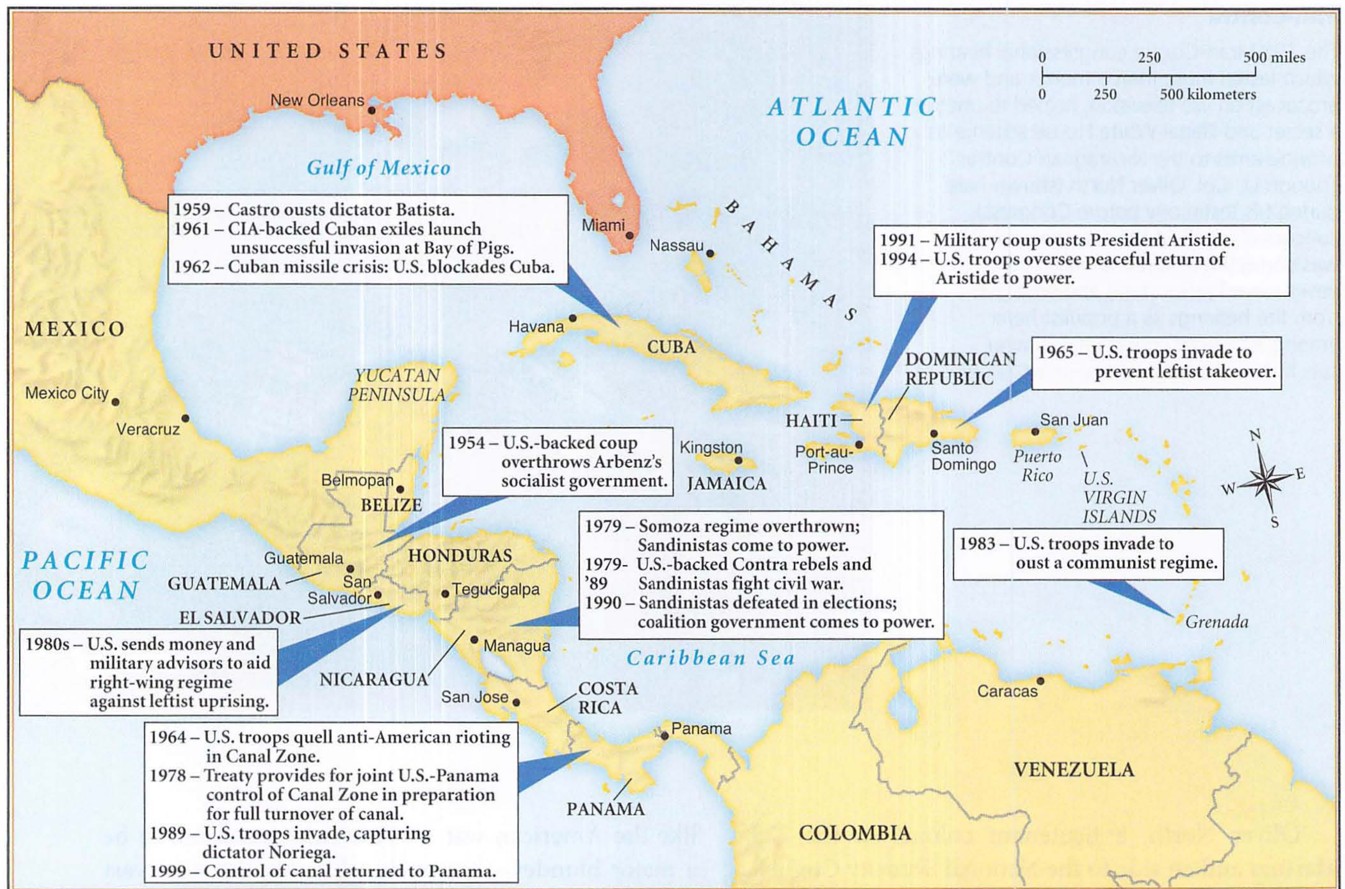
Oliver North, a lieutenant colonel in the U.S. Marines and an aide to the National Security Council, defied that ban. With the tacit or explicit consent of high-ranking administration officials, including the president, North used the profits from the Iranian arms deal to assist the Contras. When asked whether he knew of North's illegal actions, Reagan replied, "I don't remember." The **Iran-Contra affair** not only resulted in the prosecution of North and several other officials but also weakened Reagan domestically — he proposed no bold domestic policy initiatives in his last two years. But the president remained steadfastly engaged in international affairs, where events were unfolding that would bring a dramatic close to the Cold War.

Gorbachev and Soviet Reform The Soviet system of state socialism and central economic planning had transformed Russia from an agricultural to an industrial society between 1917 and the 1950s. But it had done so inefficiently. Lacking the incentives of a market economy, most enterprises hoarded raw materials, employed too many workers, and did not develop new products. Except in military weaponry and space technology, the Russian economy fell further and further behind those of capitalist societies, and most people in the Soviet bloc endured a low standard of living. Moreover, the Soviet invasion of Afghanistan in 1979, like the American war in Vietnam, turned out to be a major blunder — an unwinnable war that cost vast amounts of money, destroyed military morale, and undermined popular support of the government.

Mikhail Gorbachev, a relatively young Russian leader who became general secretary of the Communist Party in 1985, recognized the need for internal economic reform and an end to the war in Afghanistan. An iconoclast in Soviet terms, Gorbachev introduced policies of ***glasnost*** (openness) and ***perestroika*** (economic restructuring), which encouraged widespread criticism of the rigid institutions and authoritarian controls of the Communist regime. To lessen tensions with the United States, Gorbachev met with Reagan in 1985, and the two leaders established a warm personal rapport. By 1987, they had agreed to eliminate all intermediate-range nuclear missiles based in Europe. A year later, Gorbachev ordered Soviet troops out of Afghanistan, and Reagan replaced many of his hard-line advisors with policymakers who favored a renewal of détente. Reagan's sudden reversal with regard to the Soviet Union remains one of the most intriguing aspects of his presidency. Many conservatives worried that their cowboy-hero president had been duped by a duplicitous Gorbachev, but Reagan's gamble paid off: the

TRACE CHANGE OVER TIME

How did Reagan's approach to the Soviet Union change between 1981 and 1989?



MAP 30.2

U.S. Involvement in Latin America and the Caribbean, 1954–2000

Ever since the Monroe Doctrine (1823), the United States has claimed a special interest in Latin America. During the Cold War, U.S. foreign policy throughout Latin America focused on containing instability and the appeal of communism in a region plagued by poverty and military dictatorships. Providing foreign aid was one approach to addressing social and economic needs, but the United States frequently intervened with military forces (or by supporting military coups) to remove unfriendly or socialist governments. The Reagan administration's support of the Contra rebels in Nicaragua, some of which was contrary to U.S. law, was one of those interventions.

easing of tensions with the United States allowed the Soviet leader to press forward with his domestic reforms.

As Gorbachev's efforts revealed the flaws of the Soviet system, the peoples of Eastern and Central Europe demanded the ouster of their Communist governments. In Poland, the Roman Catholic Church and its pope — Polish-born John Paul II — joined with Solidarity, the trade union movement, to overthrow the pro-Soviet regime. In 1956 and 1964, Russian troops had quashed similar popular uprisings in Hungary and East Germany. Now they did not intervene, and a series of peaceful uprisings — "Velvet Revolutions" — created a new political order throughout the region. The destruction of the Berlin Wall in 1989 symbolized the end of Communist rule in Central Europe. Millions of television viewers worldwide watched jubilant Germans knock down the hated wall that had divided the city since 1961 — a vivid symbol of communist repression and the Cold War division of Europe. A new geopolitical order in Europe was in the making.

Alarmed by the reforms, Soviet military leaders seized power in August 1991 and arrested Gorbachev. But widespread popular opposition led by Boris Yeltsin, the president of the Russian Republic, thwarted their efforts to oust Gorbachev from office. This failure broke the dominance of the Communist Party. On December 25, 1991, the Union of Soviet Socialist Republics formally dissolved to make way for an eleven-member Commonwealth of Independent States (CIS). The Russian Republic assumed leadership of the CIS, but

Reagan and Gorbachev: Fellow Political Revolutionaries

Both Ronald Reagan and Mikhail Gorbachev changed the political outlook of their nations. As Reagan undermined social-welfare liberalism in the United States, Gorbachev challenged the rigidity of the Communist Party and state socialism in the Soviet Union. Although they remained ideological adversaries, by the mid-1980s the two leaders had established a personal rapport, which helped facilitate agreement on a series of arms reduction measures. © Bettmann/Corbis.

the Soviet Union was no more (Map 30.3). The collapse of the Soviet Union was the result of internal weaknesses of the Communist economy. External pressure from the United States played an important, though secondary, role.

"Nobody — no country, no party, no person — 'won' the cold war," concluded George Kennan, the architect in 1947 of the American policy of containment. The Cold War's cost was enormous, and both sides benefitted greatly from its end. For more than forty years, the United States had fought a bitter economic and ideological battle against that communist foe, a struggle that exerted an enormous impact on American society. Taxpayers had spent some $4 trillion on nuclear weapons and trillions more on conventional arms, placing the United States on a permanent war footing and creating a massive military-industrial complex. The physical and psychological costs were equally high: radiation from atomic weapons tests, anticommunist witch-hunts, and a constant fear of nuclear annihilation. Of course, most Americans had no qualms about proclaiming victory, and advocates of free-market capitalism, particularly conservative Republicans, celebrated the outcome. The collapse of communism in Eastern Europe and the disintegration of the Soviet Union itself, they argued, demonstrated that they had been right all along.

A New Political Order at Home and Abroad

Ronald Reagan's role in facilitating the end of the Cold War was among his most important achievements. Overall, his presidency left a mixed legacy. Despite his pledge to get the federal government "off our backs," he could not ultimately reduce its size or scope. Social

The Wall Comes Down

As the Communist government of East Germany collapsed, West Berliners showed their contempt for the wall dividing Berlin by defacing it with graffiti. Then, in November 1989, East and West Berliners destroyed huge sections of the wall with sledgehammers, an act of psychic liberation that symbolized the end of the Cold War. Alexandria Avakian/ Woodfin Camp & Associates.

Security and other entitlement programs remained untouched, and enormous military spending outweighed cuts in other programs. Determined not to divide the country, Reagan did not actively push controversial policies espoused by the Religious Right. He called for tax credits for private religious schools, restrictions on abortions, and a constitutional amendment to permit prayer in public schools, but he did not expend his political capital to secure these measures.

While Reagan failed to roll back the social welfare and regulatory state of the New Deal–Great Society era, he changed the dynamic of American politics. The Reagan presidency restored popular belief that America — and individual Americans — could enjoy increasing prosperity. And his antigovernment rhetoric won many adherents, as did his bold and fiscally aggressive tax cuts. Social-welfare liberalism, ascendant since 1933, remained intact but was now on the defensive — led by Reagan, conservatives had changed the political conversation.

Election of 1988 George H. W. Bush, Reagan's vice president and successor, was not beloved by conservatives, who did not see him as one of their own. But he possessed an insider's familiarity with government and a long list of powerful allies, accumulated over three decades of public service. Bush's route to the White House reflected the post-Reagan alignments in American politics. In the primaries, he faced a spirited challenge from Pat Robertson, the archconservative televangelist whose influence and profile had grown during Reagan's two terms. After securing the presidential nomination, which he won largely because of his fierce loyalty to Reagan, Bush felt compelled to select as his vice-presidential running mate an unknown and inexperienced Indiana senator, Dan Quayle. Bush hoped that Quayle would help secure the Christian "**family values**" vote upholding the traditional nuclear family and Christian morality. Robertson's challenge and Quayle's selection showed that the Religious Right had become a major force in Republican politics.

On the Democratic side, Jesse Jackson became the first African American to challenge for a major-party nomination, winning eleven states in primary and caucus voting. However, the much less charismatic Massachusetts governor, Michael Dukakis, emerged as the Democratic nominee. Dukakis, a liberal from the Northeast, proved unable to win back the constituencies Democrats had lost in the 1970s: southern whites, midwestern blue-collar Catholics, and middle-class suburbanites. Indeed, Bush's campaign manager, Lee Atwater, baited Dukakis by calling him a "card-carrying liberal," a not-so-subtle reference to J. Edgar Hoover's 1958 phrase "card-carrying communist." Bush won with 53 percent of the vote, a larger margin of victory than Reagan's in 1980. The election confirmed a new pattern in presidential politics that would last through the turn of the twenty-first century: every four years, Americans would refight the battles of the 1960s, with liberals on one side and conservatives on the other.

Middle East The end of the Cold War left the United States as the world's only military superpower and raised the prospect of what President Bush called a "new world order" dominated by the United States and its European and Asian allies. American officials and diplomats presumed that U.S. interests should prevail in this new environment, but they now confronted an array of regional, religious, and ethnic conflicts that defied easy solutions. None were more pressing or more complex than those in the Middle East — the oil-rich lands stretching from Iran to Algeria. Middle Eastern conflicts would dominate the foreign policy of

MAP 30.3

The Collapse of the Soviet Union and the Creation of Independent States, 1989–1991

The collapse of Soviet communism dramatically altered the political landscape of Central Europe and Central Asia. The Warsaw Pact, the USSR's answer to NATO, vanished. West and East Germany reunited, and the nations created by the Versailles treaty of 1919—Estonia, Latvia, Lithuania, Poland, Czechoslovakia, Hungary, and Yugoslavia—reasserted their independence or split into smaller, ethnically defined nations. The Soviet republics bordering Russia, from Belarus in the west to Kyrgyzstan in the east, also became independent states, while remaining loosely bound with Russia in the Commonwealth of Independent States (CIS).

the United States for the next two decades, replacing the Cold War at the center of American geopolitics.

After Carter's success negotiating the 1979 Egypt-Israel treaty at Camp David, there were few bright spots in U.S. Middle Eastern diplomacy. In 1982, the Reagan administration supported Israel's invasion of Lebanon, a military operation intended to destroy the Palestine Liberation Organization (PLO). But when Lebanese militants, angered at U.S. intervention on behalf of Israel, killed 241 American marines, Reagan abruptly withdrew the forces. Three years later, Palestinians living in the Gaza Strip and along the West Bank of the Jordan River—territories occupied by Israel since 1967—mounted an intifada, a civilian uprising against Israeli authority. In response, American diplomats stepped up their efforts to persuade the PLO and Arab nations to accept the legitimacy of Israel and to convince the Israelis to allow the creation of a Palestinian state. Neither initiative met with much success. Unable, or unwilling, to solve the region's most intractable problems and burdened by a history of support for undemocratic regimes in Middle Eastern countries, the United States was not seen by residents of the region as an honest broker.

Persian Gulf War American interest in a reliable supply of oil from the region led the United States into a short but consequential war in the Persian Gulf in the early 1990s. Ten years earlier, in September 1980, the revolutionary Shiite Islamic nation of Iran, headed by Ayatollah Khomeini, came under attack from Iraq, a secular state headed by the dictator Saddam Hussein. The fighting was intense and long lasting—a war of attrition that claimed a million casualties. Reagan supported Hussein with military intelligence and other aid—in order to maintain supplies of Iraqi oil, undermine Iran, and preserve a balance of power in the Middle East. Finally, in 1988, an armistice ended the inconclusive war, with both sides still claiming the territory that sparked the conflict.

Men—and Women—at War

Women played visible roles in the Persian Gulf War, comprising approximately 10 percent of the American troops. In the last decades of the twentieth century, increasing numbers of women chose military careers and, although prohibited from most fighting roles, were increasingly assigned to combat zones. Luc Delahaye/ Sipa Press.

Two years later, in August 1990, Hussein went to war to expand Iraq's boundaries and oil supply. Believing (erroneously) that he still had the support of the United States, Hussein sent in troops and quickly conquered Kuwait, Iraq's small, oil-rich neighbor, and threatened Saudi Arabia, the site of one-fifth of the world's known oil reserves and an informal ally of the United States. To preserve Western access to oil, President George H. W. Bush sponsored a series of resolutions in the United Nations Security Council calling for Iraq to withdraw from Kuwait. When Hussein refused, Bush successfully prodded the UN to authorize the use of force, and the president organized a military coalition of thirty-four nations. Dividing mostly along party lines, the Republican-led House of Representatives authorized American participation by a vote of 252 to 182, and the Democratic-led Senate agreed by the close margin of 52 to 47.

IDENTIFY CAUSES

Why did the United States intervene in the conflicts between Iraq and Iran and between Iraq and Kuwait?

The coalition forces led by the United States quickly won the **Persian Gulf War** for the "liberation of Kuwait." To avoid a protracted struggle and retain French and Russian support for the UN coalition, Bush decided against occupying Iraq and removing Saddam Hussein from power. Instead, he won passage of UN Resolution 687, which imposed economic sanctions against Iraq unless it allowed unfettered inspection of its weapons systems, destroyed all biological and chemical arms, and unconditionally pledged not to develop nuclear weapons. The military victory, the low incidence of American casualties, and the quick withdrawal produced a euphoric reaction at home. "By God, we've kicked the Vietnam syndrome once and for all," Bush announced, and his approval rating shot up precipitously. But Saddam Hussein remained a formidable power in the region, and in March 2003, he would become the pretext for Bush's son, President George W. Bush, to initiate another war in Iraq—one that would be much more protracted, expensive, and bloody for Americans and Iraqis alike (Chapter 31).

Thus the end of the Cold War brought not peace, but a new American presence in the Middle East. For half a century, the United States and the Soviet Union had tried to divide the world into two rival economic and ideological blocs: communist and capitalist. The next decades promised a new set of struggles, one of them between a Western-led agenda of economic and cultural globalization and an anti-Western ideology of Muslim and Arab regionalism. Still more post–Cold War shifts were coming into view as well. One was the

spectacular emergence of the European Union as a massive united trading bloc, economic engine, and global political force. Another was the equally spectacular economic growth in China, which was just beginning to take off in the early 1990s. The post–Cold War world promised to be a *multi*polar one, with great centers of power in Europe, the United States, and East Asia, and seemingly intractable conflict in the Middle East.

SUMMARY

This chapter examined two central developments of the years 1980–1991: the rise of the New Right in U.S. politics and the end of the Cold War. Each development set the stage for a new era in American life, one that stretches to our own day. Domestically, the New Right, which had been building in strength since the mid-1960s, criticized the liberalism of the Great Society and the permissiveness that conservative activists associated with feminism and the sexual revolution. Shifting their allegiance from Barry Goldwater to Ronald Reagan, right-wing Americans built a conservative movement from the ground up and in 1980 elected Reagan president. Advocating free-market economics, lower taxes, and fewer government regulations, Reagan became a champion of the New Right. His record as president was more mixed than his rhetoric would suggest, however. Reagan's initial tax cuts were followed by tax hikes. Moreover, he frequently dismayed the Christian Right by not pursuing their interests forcefully enough — especially regarding abortion and school prayer.

Reagan played a role in the ending of the Cold War. His massive military buildup in the early 1980s strained an already overstretched Soviet economy, which struggled to keep pace. Reagan then agreed to meet with Soviet leader Mikhail Gorbachev in several summits between 1985 and 1987. More important than Reagan's actions, however, were inefficiencies and contradictions in the Soviet economic structure itself. Combined with the forced military buildup and the disastrous war in Afghanistan, these strains led Gorbachev to institute the first significant reforms in Soviet society in half a century. The reforms stirred popular criticism of the Soviet Union, which formally collapsed in 1991.

CHAPTER REVIEW

MAKE IT STICK Go to **LearningCurve** to retain what you've read.

TERMS TO KNOW

Identify and explain the significance of each term below.

Key Concepts and Events

The Conscience of a Conservative (p. 975)
National Review (p. 976)
Religious Right (p. 976)
hostage crisis (p. 977)
Reagan coalition (p. 981)
Moral Majority (p. 981)
Reagan Democrats (p. 982)
supply-side economics (Reaganomics) (p. 982)
Economic Recovery Tax Act (ERTA) (p. 983)
national debt (p. 983)
deregulation (p. 983)
HIV/AIDS (p. 985)
service industries (p. 987)
Sandinistas (p. 992)
Contras (p. 992)
Iran-Contra affair (p. 993)
glasnost (p. 993)
perestroika (p. 993)
family values (p. 996)
Persian Gulf War (p. 998)

Key People

Barry Goldwater (p. 974)
Ronald Reagan (p. 974)
William F. Buckley (p. 976)
Milton Friedman (p. 976)
David Stockman (p. 983)
Sandra Day O'Connor (p. 984)
Mikhail Gorbachev (p. 993)
George H. W. Bush (p. 996)

REVIEW QUESTIONS

Answer these questions to demonstrate your understanding of the chapter's main ideas.

1. In what ways were the "three-legged stool" components of New Right conservatism compatible? Incompatible?
2. How would you assess the historical importance of Ronald Reagan? What were his most significant legacies, domestically and internationally? Why?
3. Why did the Cold War come to an end when it did? What were the contributing factors?
4. **THEMATIC UNDERSTANDING** Review the events listed on the thematic timeline on page 971. In what ways was the New Right "reactive," responding to liberalism, and in what ways was it "proactive," asserting its own agenda?

MAKING CONNECTIONS

Recognize the larger developments and continuities within and across chapters by answering these questions.

1. **ACROSS TIME AND PLACE** Compare the two major periods of liberal legislative accomplishment — the New Deal in the 1930s (Chapter 23) and the Great Society in the 1960s (Chapter 28) — with the Reagan era in the 1980s. Did Reagan undo the legislative gains of those earlier eras? What conservative objectives was he able to accomplish, and what limits or obstacles did he encounter?
2. **VISUAL EVIDENCE** Examine the images of Reagan in this chapter (pp. 982, 987, 995). What message do these images convey about Reagan as a person? About his policies? Together, what do they tell us about the image and reality of the Reagan presidency? Do you think that cartoons or photographs are a more accurate source of information for understanding the historical meaning of a particular president and his administration? Why or why not?

MORE TO EXPLORE

Start here to learn more about the events discussed in this chapter.

Lou Cannon, *President Reagan: The Role of a Lifetime* (2000). A valuable overview of the Reagan presidency.

William Martin, *With God on Our Side: The Rise of the Religious Right in America* (1996).

Lisa McGirr, *Suburban Warriors: The Origins of the New American Right* (2001). Explores the rise of the New Right.

James T. Patterson, *Restless Giant: The United States from Watergate to* Bush v. Gore (2005). Provides a solid analysis of the 1980s and 1990s.

On foreign policy, consult Richard A. Melanson, *American Foreign Policy Since the Vietnam War* (2005), and Raymond Garthoff, *The Great Transition: American-Soviet Relations and the End of the Cold War* (1994).

Two fine Web sites that document various Cold War incidents are the National Security Archive, at **gwu.edu/~nsarchiv**, and the Cold War International History Project, at **wilsoncenter.org/index.cfm?fuseaction=topics.home&topic_id=1409**.

TIMELINE

Ask yourself why this chapter begins and ends with these dates and then identify the links among related events.

Year	Events
1981	• Ronald Reagan becomes president • Republicans gain control of Senate • Economic Recovery Tax Act (ERTA) cuts taxes • Military expenditures increase sharply • Reagan cuts budgets of regulatory agencies • Sandra Day O'Connor appointed to the Supreme Court
1981–1989	• National debt triples • Emergence of New Right think tanks: Heritage Foundation, American Enterprise Institute, and the Cato Institute • United States assists Iraq in war against Iran (1980–1988)
1985	• Mikhail Gorbachev takes power in Soviet Union
1986	• Iran-Contra scandal weakens Reagan presidency • William Rehnquist named chief justice
1987	• United States and USSR agree to limit missiles in Europe
1988	• George H. W. Bush elected president
1989	• Destruction of Berlin Wall • "Velvet Revolutions" in Eastern Europe • *Webster v. Reproductive Health Services* limits abortion services
1990–1991	• Persian Gulf War
1991	• Dissolution of Soviet Union ends Cold War

KEY TURNING POINTS: Identify some of the key moments in the decline and then end of the Cold War. What part did the United States play in these events, and how did this affect the U.S. role in world affairs more broadly?