Chapter 33

Resurgence of Conservatism

1980–1992

Why It Matters

The 1980s saw the rise of a new conservatism. President Reagan, standing for traditional values and smaller government, symbolized this movement. While tax cuts and new technologies fueled an economic boom, Reagan embarked on a massive military buildup and expanded efforts to contain communism. During President George Bush’s term, the United States fought the Persian Gulf War, and the Cold War came to a dramatic end with the fall of the Soviet Union.

The Impact Today

Developments of the Reagan era are still visible today.

- The struggle between conservative and liberal ideas often defines American politics.
- Foreign policy has greatly changed because of the fall of the Soviet Union.
- The Americans with Disabilities Act has opened up doors for disabled citizens.

The American Vision Video

The Chapter 33 video, “Tear Down This Wall!” describes the history of the Berlin Wall, one of the Cold War’s most powerful symbols.
Midge Decter, a New Yorker and a writer for the conservative publication Commentary, was appalled at the terror that hit her city on a hot July night in 1977. On the night of July 13, the power failed in New York City. Street lights went dark. Elevators, subways, and air conditioners stopped running. The blackout left millions of people in darkness, and looting and arson rocked the city.

City officials and the media blamed the lawlessness on the anger and despair of youth in neglected areas. “They were just waiting for something like this so they could go berserk,” said Lydia Rivers, a Brooklyn resident. Decter, however, had other ideas about who was to blame for the terror in her city:

“The answer is that all those young men went on their spree of looting because they had been given permission to do so. They had been given permission to do so by all the papers and magazines, movies and documentaries—all the outlets for the purveying of enlightened liberal attitude and progressive liberal policy—which had for years and years been proclaiming that race and poverty were sufficient excuses for lawlessness...”

—quoted in Commentary, September 1977

Conservatism and Liberalism

Midge Decter’s article blaming liberalism for the riots in New York during the 1977 blackout exemplifies a debate in American politics that continues to the present day. On one side of the debate are people who call themselves liberals; on the other side are those who identify themselves as conservatives. Liberal ideas generally dominated American
politics for much of the 1900s, but conservative ideas gained significant support among Americans in the 1970s. In 1980 Ronald Reagan, a strong conservative, was elected president.

**Liberalism** In American politics today, people who call themselves liberals believe several basic ideas. In general, liberals believe that the government should regulate the economy to protect people from the power of large corporations and wealthy elites. Liberals also believe that the government, particularly the federal government, should play an active role in helping disadvantaged Americans, partly through social programs and partly by putting more of society’s tax burden on wealthier people.

Although liberals favor government intervention in the economy, they are suspicious of any attempt by the government to regulate social behavior. They are strong supporters of free speech and privacy, and they are opposed to the government supporting or endorsing religious beliefs, no matter how indirectly. They believe that a diverse society made up of many different races, cultures, and ethnic groups tends to be more creative and energetic.

Liberals often support high taxes on the wealthy, partly because they believe taxes weaken the power of the rich and partly because the government can transfer the wealth to other Americans to keep society more equal. They believe that most social problems have their roots in economic inequality.

**Conservatism** Unlike liberals, conservatives generally have a fundamental distrust of the power of government, particularly the federal government. They support the original intent of the Constitution and believe that governmental power should be divided into different branches and split between the state and federal levels to limit its ability to intrude into people’s lives.

Conservatives believe that if the government regulates the economy, it makes the economy less efficient, resulting in less wealth and more poverty. They believe that the free enterprise system is the best way to organize society. They often argue that if people and businesses are free to make their own economic choices, there will be more wealth and a higher standard of living for everyone.

For this reason, conservatives generally oppose high taxes and government programs that transfer wealth from the rich to those who are less wealthy. They believe that taxes and government programs discourage investment, take away people’s incentive to work hard, and reduce the amount of freedom in society.

The more the government regulates the economy, conservatives argue, the more it will have to regulate every aspect of people’s behavior. Ultimately, conservatives fear, the government will so restrict people’s economic freedom that Americans will no longer be able to improve their standard of living and get ahead in life.

Many conservatives believe that religious faith is vitally important in sustaining society. They believe most social problems result from issues of morality and character—issues, they argue, that are best addressed through commitment to a religious faith and through the private efforts of individuals and communities helping those in need. Despite this general belief, conservatives do support the use of the governmental police powers to regulate social behavior in some instances.

**Reading Check** **Contrasting** How do liberal and conservative opinions about government differ?

**Conservatism Revives**

During the New Deal era of the 1930s, conservative ideas had lost much of their influence in national politics. In the years following World War II, however, conservatism began to revive.

**Conservatism and the Cold War** Support for conservative ideas began to revive for two major reasons, both related to the Cold War. First, the struggle against communism revived the debate about the role of the government in the economy. Some Americans believed that liberal economic ideas were slowly leading the United States toward communism and became determined to stop this trend. They also thought the United States had failed to stop the spread of Soviet power because liberals did not fully understand the need for a strong anticommunist foreign policy.

At the same time, many Americans viewed the Cold War in religious terms. Communism rejected religion and emphasized the material side of life. To Americans with a deep religious faith, the struggle against communism was a struggle between good and evil. Liberalism, which emphasizes economic welfare, gradually lost the support of many religious Americans, who increasingly turned to conservatism.

**Conservatives Organize** In 1955 a young conservative named William F. Buckley founded a new conservative magazine called *National Review*. Buckley’s magazine helped to revive conservative ideas in the United States. Buckley debated in front
of college students and appeared on radio and television shows, spreading conservative ideas to an even wider audience.

Within the Republican Party, conservatives, particularly young conservatives, began to push their ideas and demand a greater role in party decision-making. In 1960 some 90 young conservative leaders met at Buckley’s family estate and founded Young Americans for Freedom (YAF), an independent conservative group, to push their ideas and to support conservative candidates.

By 1964 the new conservative movement had achieved enough influence within the Republican Party to enable the conservative Barry Goldwater to win the nomination for president. To the dismay of the conservatives, however, President Johnson easily defeated Goldwater and won the election in a landslide.

**Conservatism Gains Support**

Conservatism could not have become a mass movement if Americans had not responded to conservative ideas. The events of the late 1960s and 1970s played an important role in convincing Americans to support conservatism. After Goldwater’s huge loss in 1964, American society moved decisively in a conservative direction.

**GEOGRAPHY**

**The Rise of the Sunbelt** One of the problems facing conservatives in the 1950s and early 1960s was that they generally split their votes between the Republicans and the Democrats. Two regions of the country, the South and the West, were more conservative than other areas. Southern conservatives, however, generally voted for the Democrats, while conservatives in the West voted Republican. This meant that the party that won the heavily populated Northeast would win the election. Since the Northeast strongly supported liberal ideas, both parties were pulled toward liberal policies.

This pattern began to change during World War II, when large numbers of Americans moved south and west to take jobs in the war factories. The movement to the South and West—together known as the Sunbelt—continued after the war. As the Sunbelt’s economy expanded, Americans living in those regions began to view the federal government differently from people living in the Northeast.

**Sunbelt Conservatism** Industry in the Northeast was in decline, leading to the region’s nickname—the Rust Belt. This region had more unemployed people than any other, and its cities were often congested and polluted. These problems prompted Americans in the Northeast to look to the federal government for programs and regulations that would help them solve their problems.

In contrast, Americans in the Sunbelt opposed high taxes and federal regulations that threatened to interfere with their region’s growth. Many white Southerners were also angry with the Democrats for supporting civil rights, which they interpreted as an effort by the federal government to impose its policies on the South.

When Barry Goldwater argued in 1964 that the federal government was becoming too strong, many Southerners agreed. For the first time since Reconstruction, they began voting Republican in large numbers. Although Goldwater lost the election, his candidacy showed Republicans that the best way to attract Southern votes was to support conservative policies.

Americans living in the West also responded to conservative attacks on the size and power of the federal government. Westerners were proud of their frontier heritage and spirit of “rugged individualism.” They resented federal environmental regulations that limited ranching, controlled water use, and restricted the development of the region’s natural resources. Western anger over such policies inspired the “Sagebrush Rebellion” of the early 1970s—a widespread protest led by conservatives against federal laws hindering the region’s development.

By 1980 the population of the Sunbelt had surpassed the Northeast. This gave the conservative regions of the country more electoral votes and therefore more influence in shaping party policies. With Southerners shifting their votes to the Republican Party, conservatives could now build a coalition to elect a president.

**Suburban Conservatism** As riots erupted and crime soared during the 1960s and 1970s, many Americans moved to suburbs to escape the chaos of the cities. Even there, however, they found the quiet middle-class lifestyle they desired to be in danger. The rapid inflation of the 1970s had caused the economy to stagnate, and many Americans began to question the role of the federal government in their lives. As a result, conservative ideas gained a foothold in suburban areas, and the conservative movement continued to grow.
buying power of the average middle-class family to shrink while taxes remained high.

Many Americans resented the taxes they had to pay for New Deal and Great Society programs when they themselves were losing ground economically. By the late 1970s, Americans had begun to rebel against these high taxes. In 1978 Howard Jarvis, a conservative activist, launched the first successful tax revolt in California with Proposition 13, a referendum on the state ballot that greatly reduced property taxes. Soon afterward anti-tax movements appeared in other states, and tax cuts quickly became a national issue. For many Americans, the conservative argument that the government had become too big meant simply that taxes were too high. As conservatives began to call for tax cuts, middle-class Americans flocked to their cause.

The Religious Right While many Americans turned to conservatism for economic reasons, others were drawn to it because they feared American society had lost touch with its traditional values. For many Americans of deep religious faith, the events of the 1960s and 1970s were shocking. The Supreme Court decision in Roe v. Wade, which established abortion as a constitutional right, greatly concerned them. Other Supreme Court decisions that limited prayer in public schools and expanded the rights of people accused of crimes also drew criticism from religious groups. (See page 1083 for more information on Roe v. Wade.)

The feminist movement and the push for the Equal Rights Amendment (ERA) further alarmed religious Americans because it seemed to represent an assault on the traditional family. Many religious people were also shocked by the behavior of some university students in the 1960s, whose contempt for authority seemed to indicate a general breakdown in American values and morality. These concerns helped expand the conservative cause into a mass movement.
Although religious conservatives included people of many different faiths, the largest group within the social conservative movement was evangelical Protestant Christians. Evangelicals believe they are saved from their sins through conversion (which they refer to as being “born again”) and a personal commitment to follow Jesus Christ, whose death and resurrection reconciles them to God.

After World War II, a religious revival began in the United States. Protestant ministers such as Billy Graham and Oral Roberts built national followings. By the late 1970s, about 70 million Americans described themselves as “born again.” Christian evangelicals owned their own newspapers, magazines, radio stations, and television networks. Television in particular allowed evangelical ministers to reach a large nationwide audience. These “televangelists,” as they were nicknamed, included Marion “Pat” Robertson, who founded the Christian Broadcasting Network, and Jerry Falwell, who used his television show The Old-Time Gospel Hour to found a movement that he called the “Moral Majority.” Using television and mail campaigns, the Moral Majority built up a network of ministers to register new voters who backed conservative candidates and issues. Falwell later claimed to have brought in 2 million new voters by 1980.

A New Coalition By the end of the 1970s, the new conservative coalition of voters had begun to come together in the United States. Although the members of this coalition were concerned with many different issues, they were held together by a common belief that American society had somehow lost its way.

The Watergate scandal, high taxes, and special interest politics had undermined many Americans’ faith in their government. Rising unemployment, rapid inflation, and the energy crisis had shaken their confidence in the economy. Riots, crime, and drug abuse suggested that society itself was falling apart. The retreat from Vietnam, the hostage crisis in Iran, and the Soviet invasion of Afghanistan made the nation look weak and helpless internationally. Many Americans were tired of change and upheaval. They wanted stability and a return to what they remembered as a better time. For some, the new conservatism and its most prominent spokesperson, Ronald Reagan, offered hope to a nation in distress.

Summarizing Why did many Americans begin to support the conservative movement?

Reading Check

1. Define: liberal, conservative, televangelist.
2. Identify: William F. Buckley, Sunbelt, Billy Graham, Moral Majority.
3. Explain why evangelical Protestant Christians began to support conservative issues.

Reviewing Themes

4. Economic Factors What kind of economy did conservatives want?

Critical Thinking

5. Analyzing How did Christian evangelicals contribute to a growing conservative national identity?
6. Organizing Use a graphic organizer similar to the one below to list conservative beliefs.

Analyzing Visuals

7. Analyzing Maps Study the map of the Sunbelt on page 983. What impact would the migration patterns shown have on representation in the U.S. House of Representatives?

Writing About History

8. Persuasive Writing Many conservatives believe that “government that governs least, governs best.” Write a paragraph supporting or opposing this statement.
The Reagan Years

Main Idea
The presidency of Ronald Reagan brought a new conservative attitude to government.

Key Terms and Names
supply-side economics, Reaganomics, budget deficit, Sandra Day O'Connor, William Rehnquist, Geraldine Ferraro, contra, Iran-Contra scandal, Oliver North, Mikhail Gorbachev

Preview of Events
1980 Reagan elected president
1983 Terrorists bomb U.S. Marine barracks in Lebanon
1984 Reagan reelected
1986 Iran-Contra scandal breaks
1987 Reagan and Gorbachev sign INF Treaty

Reading Strategy
Organizing As you read about the Reagan presidency, complete the graphic organizer below by filling in the major points of the supply-side theory of economics.

Reading Objectives
• Explain President Reagan's economic recovery plan.
• Discuss Reagan's policies toward the Soviet Union.

Section Theme
Global Connections President Reagan believed the United States should take strong action to resist Communist influence overseas.

An American Story
In 1926 when he was 15 years old, Ronald Reagan earned $15 a week as a lifeguard at Lowell Park on the Rock River in Illinois. Being a lifeguard, Reagan later wrote, taught him quite a bit about human nature:

"Lifeguarding provides one of the best vantage points in the world to learn about people. During my career at the park, I saved seventy-seven people. I guarantee you they needed saving—no lifeguard gets wet without good reason. . . . Not many thanked me, much less gave me a reward, and being a little money-hungry, I’d done a little daydreaming about this. They felt insulted. I got to recognize that people hate to be saved. . . ."

—quoted in Where's the Rest of Me?

A young Ronald Reagan

The Road to the White House
Ronald Reagan grew up in Dixon, Illinois, the son of an Irish American shoe salesman. After graduating from Eureka College in 1932, Reagan worked as a sports broadcaster at an Iowa radio station. In 1937 he took a Hollywood screen test and won a contract from a movie studio. Over the next 25 years, he made over 50 movies. As a broadcaster and actor, Reagan learned how to speak publicly and how to project an image, skills that proved invaluable when he entered politics.
California governor Ronald Reagan:

“The American people, the most generous people on earth, who created the highest standard of living, are not going to accept the notion that we can only make a better world for others by moving backwards ourselves. Those who believe we can have no business leading the nation.

I will not stand by and watch this great country destroy itself under mediocre leadership that drifts from one crisis to the next, eroding our national will and purpose.

“Trust me” government asks that we concentrate our hopes and dreams on one man; that we trust him to do what’s best for us. My view of government places trust not in one person or one party, but in those values that transcend persons and parties. The trust is where it belongs—in the people.”

—from his acceptance speech at the Republican National Convention, July 17, 1980

1. Recognizing Ideologies  How do the two candidates differ regarding the role of government in solving the nation’s problems?

2. Making Inferences  Ronald Reagan won the election of 1980. What part of his speech do you think may have had the most influence on voters? Why?

Moving to Conservatism  In 1947 Reagan became president of the Screen Actors Guild—the actors’ union. As head of the union, he testified about communism in Hollywood before the House Un-American Activities Committee. Reagan had been a staunch Democrat and supporter of the New Deal, but his experience in dealing with Communists in the union began shifting him toward conservative ideas.

In 1954 Reagan became the host of a television program called General Electric Theater and agreed to be a motivational speaker for the company. As he traveled around the country speaking to workers, secretaries, and managers, he became increasingly conservative. Over and over again, Reagan said later, he heard stories from average Americans about how high taxes and government regulations made it impossible for them to get ahead.

By 1964 Reagan had become such a popular national speaker that Barry Goldwater asked him to make a televised speech on behalf of Goldwater’s presidential campaign. Reagan’s speech greatly impressed several wealthy entrepreneurs in California. They convinced Reagan to run for governor of California in 1966 and helped finance his campaign. Reagan won the election and was reelected in 1970. Ten years later, he won the Republican presidential nomination.
The Election of 1980  Reagan’s campaign appealed to Americans who were frustrated with the economy and worried that the United States had become weak internationally. Reagan promised to cut taxes and increase defense spending. He won the support of social conservatives by calling for a constitutional amendment banning abortion. During one debate with Carter, Reagan asked voters, “Are you better off than you were four years ago?” On Election Day, the voters answered “No.” Reagan won nearly 51 percent of the popular vote and 489 electoral votes, easily defeating Carter in the Electoral College. For the first time since 1954, Republicans also gained control of the Senate.

Reagan’s Domestic Policies

Ronald Reagan believed the key to restoring the economy and overcoming problems in society was to get Americans to believe in themselves again. He expressed this idea in his Inaugural Address:

“...We have every right to dream heroic dreams. ... You can see heroes every day going in and out of factory gates. Others, a handful in number, produce enough food to feed all of us. ... You meet heroes across a counter. ... There are entrepreneurs with faith in themselves and faith in an idea who create new jobs, new wealth and opportunity. ... Their patriotism is quiet but deep. Their values sustain our national life.”

—from Reagan’s First Inaugural Address

Reagan also explained that Americans should not look to Washington for answers: “In this present crisis, government is not the solution to our problem. Government is the problem.”

ECONOMICS

Reaganomics  Reagan’s first priority was the economy, which was suffering from stagflation—a combination of high unemployment and high inflation. According to most economists, the way to fight unemployment was to increase government spending. Increasing spending, however, made inflation worse. Stagflation puzzled many economists, who did not expect inflation and high unemployment to occur at the same time.

Conservative economists offered two competing ideas for fixing the economy. One group, known as monetarists, argued that inflation was caused by too much money in circulation. They believed the best solution was to raise interest rates. Another group supported supply-side economics. They argued that the economy was weak because taxes were too high.

Supply-side economists believed that high taxes took too much money away from investors. If taxes were cut, businesses and investors could use their extra capital to make new investments, and businesses could expand and create new jobs. The result would be a larger supply of goods for consumers, who would now have more money to spend because of the tax cuts.

Reagan combined monetarism and supply-side economics. He encouraged the Federal Reserve to keep interest rates high, and asked Congress to pass a massive tax cut. Critics called his approach Reaganomics or “trickle-down economics.” They believed Reagan’s policy would help corporations and wealthy Americans, while only a little bit of the wealth would “trickle down” to average Americans.

Reagan made deals with conservative Democrats in the House and moderate Republicans in the Senate. Eventually Congress passed a 25 percent tax rate cut.

Cutting Programs  Cutting tax rates meant the government would receive less money. This would increase the budget deficit—the amount by which expenditures exceed income. To keep the deficit under control, Reagan proposed cuts to social programs. Welfare benefits, including the food stamp program and the school lunch program, were cut back. Medicare payments, student loans, housing subsidies, and unemployment compensation were also reduced.

After a struggle, Congress passed most of these cuts. The fight convinced Reagan that he would never get Congress to cut spending enough to balance the budget. He decided that cutting taxes and building up the military were more important than balancing the budget. He accepted the high deficit as the price of getting his other programs passed.

Deregulation  Reagan believed that burdensome government regulations were another cause of the economy’s problems. His first act as president was to sign an executive order eliminating price controls on oil and gasoline. Critics argued that getting rid of controls would
drive prices up, but in fact, they began to fall. The falling energy prices freed up money for businesses and consumers to spend elsewhere, helping the economy to recover.

Other deregulation soon followed. The National Highway Traffic and Safety Administration reduced its demand for air bags and higher fuel efficiency for cars. The Federal Communications Commission abandoned efforts to regulate the new cable television industry. Carter had already begun deregulating the airline industry, and Reagan encouraged the process, which led to price wars, cheaper fares, and the founding of new airlines.

Reagan’s Secretary of the Interior, James Watt, increased the amount of public land corporations could use for oil drilling, mining, and logging. Watt’s decisions angered environmentalists, as did the Environmental Protection Agency’s decisions to ease regulations on pollution control equipment and to reduce safety checks on chemicals and pesticides.

The Economy Booms In 1983 the economy finally began to recover. By 1984 the United States had begun the biggest economic expansion in its history up to that time. The median income of American families climbed steadily, rising 15 percent by 1989. Sales of goods and services shot upward. Five million new businesses and 20 million new jobs were created. By 1988 unemployment had fallen to about 5.5 percent, the lowest in 14 years.

Shifting the Judicial Balance Reagan did not apply his conservative ideas only to the economy. He also tried to bring a strict constructionist outlook to the federal judiciary. Reagan wanted judges who followed the original intent and wording of the Constitution rather than those who interpreted and expanded its meaning. He also changed the face of the Supreme Court by nominating Sandra Day O’Connor to be the first woman on the Supreme Court.

In 1986 Chief Justice Warren Burger retired. Reagan chose the most conservative associate justice, William Rehnquist, to succeed him. He then named Antonin Scalia, also a conservative, to fill the vacancy left by Rehnquist. In 1987 Reagan’s nomination of Robert Bork to the Court led to a bitter confirmation fight in the Senate. Liberals argued that Bork’s opinions on issues were too extreme, and they managed to block his confirmation. Anthony Kennedy, a moderate, ultimately became the new associate justice.

Reagan Wins Re-election As the 1984 election approached, the growing economy made Reagan very popular. Democrats nominated Jimmy Carter’s vice president, Walter Mondale. He chose as his running mate Representative Geraldine Ferraro, the first woman to run for vice president for a major party.

Instead of arguing issues with his opponent, Reagan emphasized the good economy. In an overwhelming landslide, he won about 59 percent of the popular vote and all the electoral votes except those from Mondale’s home state of Minnesota and the District of Columbia.

Reagan Builds Up the Military

Reagan did not limit his reforms to the domestic scene. He adopted a new Cold War foreign policy that rejected both containment and détente. Reagan called the Soviet Union “the focus of evil in the modern world” and “an evil empire.” In his view, the United States should not negotiate with or try to contain evil. It should try to defeat it.
Peace Through Strength In Reagan’s opinion, the only option open to the United States in dealing with the Soviet Union was “peace through strength”—a phrase he used during his campaign. The military buildup Reagan launched was the largest peacetime buildup in American history. It cost about $1.5 trillion over five years.

Reagan and many of his advisers believed that if the Soviets tried to match the American buildup, it might put so much pressure on their economy they would be forced to either reform their system or collapse. In 1982 Reagan told students at Eureka College that massive Soviet defense spending eventually would cause the Communist system to collapse:

“The Soviet empire is faltering because rigid centralized control has destroyed incentives for innovation, efficiency, and individual achievement. But in the midst of social and economic problems, the Soviet dictatorship has forged the largest armed force in the world. It has done so by preemting the human needs of its people and in the end, this course will undermine the foundations of the Soviet system.”

—quoted in Ronald Reagan

America also aimed its power at countries accused of supporting terrorism. After charging Libya with backing a terrorist bombing in Berlin, the United States launched an air attack on Libya on April 14, 1986. The raids killed 37 and injured 200.

A Growing Deficit Reagan’s military buildup created new jobs in the defense industries. Supply-side economists had predicted that despite the spending, lower taxes combined with overall cuts in government programs would generate enough growth to increase tax revenues and balance the budget. Tax revenues did rise, but other programs were too popular for Reagan to cut as sharply as he wanted. As a result, the annual budget deficit went from $80 billion to over $200 billion.

The Reagan Doctrine Building up the military was only part of Reagan’s military strategy. He also believed the United States should support guerrilla groups who were fighting to overthrow Communist or pro-Soviet governments. This policy became known as the Reagan Doctrine.

Aid to the Afghan Rebels Perhaps the most visible example of the Reagan Doctrine was in Afghanistan. In late December 1979, the Soviet Union invaded Afghanistan to support a Soviet-backed government. The Soviets soon found themselves fighting Afghan guerrillas known as the mujahadeen.

President Carter sent about $30 million in military aid to the Afghan guerrillas, but Reagan sent $570 million more. The Soviets were soon trapped in a situation similar to the American experience in Vietnam. They could not defeat the Afghan guerrillas. As casualties mounted, the war put additional strain on the Soviet economy. In 1988 the Soviets agreed to withdraw.

Nicaragua and Grenada Reagan was also concerned about Soviet influence in Nicaragua. Rebels known as the Sandinistas had overthrown a
The Sandinistas set up a socialist government. They also accepted Cuban and Soviet aid and began supporting antigovernment rebels in nearby El Salvador.

In response, the Reagan administration began secretly arming an anti-Sandinista guerrilla force known as the contras, from the Spanish word for “counterrevolutionary.” When Congress learned of this policy, it banned further aid to the contras.

Aiding the contras was not Reagan’s only action in Latin America. In 1983 radical Marxists overthrew the left-wing government on the tiny Caribbean island of Grenada. In October, Reagan sent in American troops. The Cuban and Grenadian soldiers were quickly defeated and a new anticommunist government was put in place.

The Iran-Contra Scandal Although Congress had prohibited aid to the Nicaraguan contras, individuals in Reagan’s administration continued to illegally support the rebels. These officials secretly sold weapons to Iran in exchange for the release of American hostages being held in the Middle East. Profits from these sales were then sent to the contras.

News of the illegal operations broke in November 1986. One of the chief figures in the Iran-Contra scandal was Marine Colonel Oliver North, an aide to the National Security Council (NSC). He and other senior NSC and CIA officials testified before Congress and admitted to covering up their actions, including shredding documents to destroy evidence.

President Reagan had approved the sale of arms to Iran, but the congressional investigation concluded that he had not been informed about the diversion of the money to the contras. To the end, Reagan insisted he had done nothing wrong, but the scandal tainted his second term in office.

**Reading Check**

1. **Interpreting Graphs** How much money was spent on national defense in 1986?
2. **Analyzing** Why is the federal debt shown rising at a faster rate than that of the other two figures combined?

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**New Approaches to Arms Control**

As part of the military buildup, Reagan decided to place nuclear missiles in Western Europe to counter Soviet missiles in Eastern Europe. This decision triggered a new peace movement. Tens of thousands of protesters pushed for a “nuclear freeze”—a halt to the deployment of new nuclear missiles.

Reagan offered to cancel the deployment of the new missiles if the Soviets removed their missiles from Eastern Europe. He also proposed Strategic Arms Reduction Talks (START) to cut the number of missiles on both sides in half. The Soviets refused and walked out of the arms control talks.

**“Star Wars”** Despite his decision to deploy missiles in Europe, Reagan generally disagreed with the military strategy known as nuclear deterrence, sometimes called “mutual assured destruction.” This strategy assumed that as long as the United States and Soviet Union could destroy each other with nuclear weapons, they would be afraid to use them.

Reagan believed that mutual assured destruction was immoral because it depended on the threat to kill massive numbers of people. He also felt that if nuclear war did begin, there would be no way to defend the United States. In March 1983, Reagan proposed the Strategic Defense Initiative (SDI). This plan, nicknamed “Star Wars,” called for the development of weapons that could intercept and destroy incoming missiles.

**A New Soviet Leader** In 1985 Mikhail Gorbachev became the leader of the Soviet Union and agreed to resume arms control talks. Gorbachev believed that the Soviet Union had to reform its economic system or it would soon collapse. It could not afford a new arms race with the United States.
Reagan and Gorbachev met in a series of summit meetings. The first of these were frustrating for both, as they disagreed on many issues. Gorbachev promised to cut back Soviet nuclear forces if Reagan would agree to give up SDI, but Reagan refused.

Reagan then challenged Gorbachev to make reforms. In West Berlin, Reagan stood at the Brandenburg Gate of the Berlin Wall, the symbol of divided Europe, and declared: “General Secretary Gorbachev, if you seek peace, if you seek prosperity for the Soviet Union and Eastern Europe... tear down this wall!”

Relations Improve  By 1987 Reagan was convinced that Gorbachev did want to reform the Soviet Union and end the arms race. While some politicians distrusted the Soviets, most people welcomed the Cold War thaw and the reduction in the danger of nuclear war. In December 1987 the two leaders signed the Intermediate-Range Nuclear Forces (INF) Treaty. It was the first treaty to call for the destruction of nuclear weapons.

No one realized it at the time, but the treaty marked the beginning of the end of the Cold War. With an arms control deal in place, Gorbachev felt confident that Soviet military spending could be reduced. He pushed ahead with economic and political reforms that eventually led to the collapse of communism in Eastern Europe and in the Soviet Union.

With the economy booming, the American military strong, and relations with the Soviet Union rapidly improving, Ronald Reagan’s second term came to an end. As he prepared to leave office,
Since the end of World War II, millions of Americans have abandoned older cities to find better lives—safer neighborhoods, bigger homes, better schools, and better jobs. Many found what they were seeking in the suburbs. Cities have grown into metropolitan areas that have continued to expand farther and farther into formerly rural regions.

The map at right shows patterns of recent population growth in the United States. The yellow and red areas represent growth since 1993. Radiating out from the cities, suburban development has changed the face of the United States. A lot of growth has taken place in the Sunbelt states of the South. The Atlanta region, for example, has more than doubled its population to 3.3 million in the last 30 years. It is now so big—and congested—that residents drive an average of 34 miles (55 km) per day.

Such rapid urban growth, or "sprawl," has brought a variety of cultural, social, and economic problems. In central cities and older suburbs, it has resulted in deteriorating infrastructure and a shortage of affordable housing. In the newer suburbs, growth has increased traffic and taxes and has resulted in declining air quality and a loss of open space.

Many city planners have mixed emotions about continued growth, and some—like those of Austin, Texas—have tried to curb it. Such efforts have been dubbed "smart growth." Proponents of smart growth seek to improve conditions in existing communities and to limit the spread of urbanization in outlying and rural areas. Specifically, they encourage developers to build housing and businesses in city centers rather than in the suburbs. They promote the preservation of undeveloped areas and parks near metropolitan regions. Smart growth advocates endorse expanding public transportation, combining residential and commercial areas, and building pedestrian-friendly communities as ways to reduce reliance on the automobile.

With smarter growth, cities can channel development in ways that maintain quality of life and make existing communities more inviting. Faced with long commutes on congested highways, some suburban residents are now opting to return to the cities that were so readily abandoned after the Second World War.
Like many Sunbelt cities, Austin, Texas (right), has experienced rapid growth in recent years, much of it fueled by an influx of high-tech companies. By 2010 its population—about 465,000 in 1990—is expected to reach 800,000.

One of the fastest-growing regions in the country, metropolitan Atlanta, Georgia (right), is already larger in area than the state of Delaware. Atlanta’s expansion into the surrounding counties since 1993 is shown at right in yellow and red.
In the 1980s many young, ambitious professionals entered the heady world of finance. Julie Katzman, in her twenties, was on the fast track:

“I constantly spent my time at the firm. I mean, all the time. I worked probably eighty hours a week. At the end of the summer, that Labor Day weekend, I got involved in another huge acquisition. That weekend I worked two and a half days without sleeping, and from that point until early December I didn’t work a single week less than a hundred hours. You spend all your time working. You’re kind of wiped out, but there’s a lot of fulfillment. There’s an incredible adrenaline rush. This is what you live on. You live on the highs.”

—From *Sleepwalking Through History*

### A Decade of Indulgence

The inauguration of Ronald Reagan introduced a decade that celebrated wealth. Limousines and corporate jets brought guests wearing diamonds and designer gowns to the inaugural ball. Status symbols such as expensive watches and luxury cars became important. Popular television shows such as *Dallas* and *Dynasty* glamorized the lives of the very wealthy.

By late 1983, the economy had revived after the 1981 recession. Aggressive young stockbrokers, speculators, lawyers, and real estate developers made multimillion-dollar deals. They bought and sold hundreds of companies. Real estate and stock values soared. Developer Donald Trump said: “I don’t do it for the money. I’ve got enough, much more than I’ll ever need. I do it to do it. Deals are my art form. Other people paint
beautifully on canvas or write wonderful poetry. I like making deals, preferably big deals.”

The new moneymakers were young, ambitious, and hardworking. Journalists called them **yuppies**, from “young urban professionals.” Many worked in law or finance. They rewarded themselves with expensive stereo systems and luxury cars. They bought designer clothes and ate in upscale restaurants.

The rapid economic growth and emphasis on accumulating wealth in the 1980s was partly caused by the baby boom. By the 1980s, many baby boomers had finished college, entered the job market, and begun building their careers. Young people entering the workforce often placed an emphasis on acquiring goods and getting ahead in their jobs. Because baby boomers were so numerous, their concerns tended to shape the culture.

The strong economic growth of the 1980s mostly benefited middle- and upper-class Americans. As a result, the emphasis on acquiring wealth had another effect on society. From 1967 to 1986, the amount of money earned by the top 5 percent of Americans fluctuated between 15.6 and 17.5 percent of the nation’s total income. In the late 1980s, their share of the nation’s income began to rise. By the mid-1990s, the top 5 percent of Americans earned well over 21 percent of the nation’s income.

**Technology and the Media**

In the 1980s, technology began transforming broadcast news and entertainment. In the 1950s, ’60s, and ’70s, families had often listened to and watched the same radio and television shows. Now new technology divided the broadcast media into smaller audience segments.

Cassette tapes and the Sony Walkman made music portable. By the end of the 1980s, many homes also had videocassette recorders (VCRs). People watched movies at home whenever they wanted.

Until the 1980s, television viewers had been limited to three commercial networks and public television. In the 1980s, cable and satellite television rapidly expanded. Dozens of channels offered programs for specialized audiences, including minorities, sports fans, shoppers, churchgoers, and others. The Cable News Network (CNN) became the first all-news television network. In 1987 the new Fox network challenged the older networks by scheduling programs aimed at a younger audience.

In 1985 CNN introduced the first phone-in television talk show, *Larry King Live*. Other talk shows employed different formats. Some hosts, like Phil Donahue, interacted with studio audiences and shared their feelings. Oprah Winfrey’s highly successful show began in 1984 as a rival to Donahue.

The more traditional talk show format featured panels of journalists, politicians, and experts with different points of view. On shows like *Firing Line*...
or Face the Nation, they discussed or argued about business, current events, and politics.

In 1981 music and technology merged, and Music Television (MTV) went on the air. MTV mixed songs and video images to create music videos. Music videos were like fast-moving short films, with costumes, makeup, and choreography.

MTV was an instant hit, though the videos it showed were often criticized for violence and sexual content. Many performers began to produce videos along with each of their new albums. Music videos boosted the careers of artists such as Madonna and Michael Jackson.

Rap music was another new sound of the 1980s. This musical style originated in local clubs in New York City’s South Bronx. Emphasizing heavy bass and very rhythmic sounds, rap artists did not usually sing but rather spoke over the music and rhythmic beats. Rap’s lyrics frequently focused on the African American experience in the inner city. Break dancing, featuring acrobatic spins and flips on the ground, also got its start on city streets. While rap was initially popular among East Coast African Americans, it has grown in popularity, becoming a multimillion-dollar industry that appeals to music lovers across the country.

While the music industry was changing, new forms of entertainment also developed, including home video games. Early video games grew out of military computer technology. The first video arcade game was a game called Pong, released in 1972. Home video games developed quickly. In the early 1980s, sales reached about $3 billion with the sale of games such as PacMan and Space Invaders. Video arcades became the new spot for young people to meet.

By the mid-1980s, new technology allowed home video games to compete with arcade games in color and speed. The trend toward home video game sales continued through the 1990s.

Describing What forms of entertainment gained popularity in the 1980s?

A Society Under Stress

The 1980s was a decade of wealth and prosperity, but at the same time, many social problems continued to plague the nation.

Crime and Drugs Ongoing problems with drug abuse in the 1980s made many city neighborhoods dangerous. Drug users often committed crimes in order to get money for drugs, and dealers backed by street gangs fought to protect their territory. Cocaine use increased, especially a concentrated form, crack cocaine, which made users hostile and aggressive. First Lady Nancy Reagan tried to discourage teen drug use with her “Just Say No” campaign. Many young people, however, continued to use drugs, especially marijuana and amphetamines. Drug use spread from cities to small towns and rural areas.

Problems With Alcohol Abuse of alcohol was also a serious concern. Teenagers with fake identification cards could easily buy beer and other alcoholic beverages. Nonetheless, teen alcohol use actually declined during the 1980s, although thousands of alcohol-related auto accidents involved young people. In 1980 Mothers Against Drunk Driving (MADD), a grassroots organization, was founded to look for effective solutions to underage drinking problems and drunk driving. In 1984 Congress cut highway funds to any state that did not raise the legal drinking age to 21. All states quickly complied.

A Deadly Epidemic In 1981 researchers identified a disease which caused seemingly healthy young men to become sick and die. They named it “acquired immune deficiency syndrome,” or AIDS. AIDS weakens the immune system, lowering resistance to
illnesses such as pneumonia and several types of cancer. HIV, the virus that causes AIDS, is spread through bodily fluids.

In the United States, AIDS was first noticed among homosexual men. Soon AIDS began to spread among heterosexual men and women as well. A few people got the disease from blood transfusions. Other victims included drug users who shared needles and, through them, infected blood. Many people were infected by sexual partners. In 1987 alone, more than 28,000 cases of AIDS were diagnosed in the United States, and between 1981 and 1988, the Centers for Disease Control identified more than 100,000 cases.

Evaluating What social problems did Americans face in the 1980s?

Social Activism

AIDS increased the visibility of the country’s gay and lesbian community, but some homosexuals had been engaged in efforts to defend their civil rights since the 1960s. On June 27, 1969, New York City police raided a Greenwich Village nightclub called the Stonewall Inn. The police had a history of raiding the nightclub and targeting its patrons because of their sexual orientation. Frustration among the gay and lesbian onlookers boiled over into a public disturbance. The Stonewall riot marked the beginning of a gay activist movement. Soon after, organizations such as the Gay Liberation Front tried to increase tolerance of homosexuality and media coverage of gays and lesbians.

Although the election of Ronald Reagan marked the rise of a powerful conservative movement in America, the social activism of the 1960s and 1970s did not end. Many Americans continued to organize and promote causes they believed were important, including the environment and world hunger.

Think Globally, Act Locally Trying to promote environmental protection during the Reagan years was frustrating for environmental activists. Secretary of the Interior James Watt encouraged development on public lands, saying, “We will mine more, drill more, cut more timber.” Congress, under pressure from environmental groups, blocked many of Watt’s plans. Worried about Watt’s program, many new members joined groups such as the Sierra Club.

The environmental movement born in the 1970s continued to grow in the 1980s. Environmentalists were active in protesting nuclear power plants and protecting fragile wetlands. Communities started recycling programs. Activists became concerned about issues such as global warming and the destruction of the ozone layer and rain forests.

Rocking for Good Causes In the 1980s, ministers, politicians, and others targeted and criticized rock musicians as promoters of drug use and other negative behavior. Still, singers, actors, and other entertainers
often helped those whom society ignored. In hits such as “Born in the USA,” Bruce Springsteen sang about working-class Americans. A social activist, he gave concerts to benefit food banks and the homeless.


Other Groups Become Activists One noticeable political change in the 1980s was the stronger presence of senior citizens. Decades of improvements in medicine had resulted in more Americans surviving to an older age. In addition, the birthrate had declined, so younger people represented a comparatively smaller proportion of the population. The fact that more Americans were receiving Social Security payments created budget pressures for the government.

Older Americans became very vocal in the political arena, opposing cuts in Social Security or Medicare. Because they tended to vote in large numbers, senior citizens became an influential interest group. Their major lobbying organization was the American Association of Retired Persons (AARP), founded in 1958.

**Reading Check** Summarizing What issues did environmental activists focus on in the 1980s?

### A New Era in Space

President Reagan, like many Americans, saw space as an exciting frontier. Improved technology and new exploration programs rekindled the nation’s excitement for space exploration.

**The Space Shuttle** After the series of moon landings of the 1970s, the National Aeronautics and Space Administration (NASA) concentrated on the space shuttle. Though it looked like a huge airplane, the shuttle was rocketed into space, then glided back to Earth for another flight. Unlike earlier spacecraft, the shuttle was reusable. The shuttle Columbia made the first space shuttle flight in April 1981.

Earlier astronauts had been military pilots, but shuttle crews now included civilians. In 1983 Sally Ride became the first American woman in space. Female astronauts quickly grew more common. To involve the public, NASA recruited a teacher to travel into space. In January 1986, Christa McAuliffe, a teacher from New Hampshire, joined six others on the Challenger. As millions of Americans watched in anticipation, the shuttle lifted off the launchpad—and then suddenly exploded. All on board were killed.

Shocked Americans mourned the worst disaster in the country’s history of space exploration. President Reagan made a speech praising the crew:

> “The crew of the space shuttle Challenger honored us by the manner in which they lived their lives. We will never forget them, nor the last time we saw them, this morning as they prepared for their journey and waved goodbye and ‘slipped the surly bonds of earth to touch the face of God.’”

—from Speaking My Mind

In June 1986, a presidential commission reported that defective seals in the solid rocket boosters allowed combustible gas to ignite.

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**Profiles in History**

**Franklin R. Chang-Diaz**

1950–

Born in Costa Rica, Franklin R. Chang-Diaz dates his fascination with space to hearing about the Sputnik launching in 1957. His mother told him that a new star, made by humans, had been placed in the heavens. This convinced him, he said later, to become “a space explorer.”

Chang-Diaz managed to save enough money—$50—to immigrate to the United States at the age of 18. He went to Hartford, Connecticut, where he had relatives. After completing high school and college, he went on to earn a doctorate in applied plasma physics and fusion technology at MIT in 1977.

His goal of becoming an astronaut came true in 1980 when NASA selected him for the space shuttle program. In the following years, Chang-Diaz worked as part of the astronaut support crew and in early space station design studies.

His first spaceflight came in January 1986 on the space shuttle Columbia. In the late 1980s and 1990s, Chang-Diaz flew a number of shuttle missions.

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A Home in Space  By September 1988 engineers had fixed the problem with the booster seals, and new space shuttle missions began. Between September 1988 and December 2002, the shuttle completed 87 missions. It placed many satellites in orbit, including the Hubble Space Telescope.

One reason NASA built the shuttle was to provide transportation to space stations—manned orbiting platforms that served as a base of operations for space research. The United States had launched the space station Skylab in 1973, but it stayed in orbit only until 1979. In 1986 President Reagan announced that the United States would build a new space station.

In the years following Reagan’s announcement, the space station became an international project, and 16 nations helped create the International Space Station. Shuttle astronauts began assembling the station in December 1998, and the station’s first crew arrived in October 2000. By December 2002 the shuttle had completed 16 missions to the space station.

Seventeen years after the Challenger disaster, tragedy struck again. On February 1, 2003, the shuttle Columbia came apart while reentering the earth’s atmosphere. All seven crew members were killed. As people around the world mourned, NASA began investigating the accident. Speaking to the nation, President George W. Bush proclaimed, “Mankind is led into the darkness beyond our world by the inspiration of discovery and the longing to understand.” The president then promised that American space exploration would continue.

Reading Check  Describing  How was the space shuttle different from previous spacecraft?
Why Learn This Skill?

Every citizen needs to be aware of current issues and events in order to make good decisions when exercising citizenship rights. To stay informed, people use a variety of news sources, including print media, broadcast media, and electronic media.

Learning the Skill

To get an accurate profile of current events, you must learn to think critically about the news. The steps below will help you think critically.

- First, think about the source of the news story. Reports that reveal sources are more reliable than those that do not. If you know the sources, you can evaluate them.
- Many news stories analyze and interpret events. Such analyses may be more detailed than other reports, but they also reflect a reporter’s biases. Look for biases as you read or listen to news stories.
- Ask yourself whether the news is even-handed and thorough. Is it reported on the scene or secondhand? Does it represent both sides of the issue? How many sources are used? The more sources cited for a fact, the more reliable it usually is.

Practicing the Skill

Follow the steps below to analyze two types of print media.

1. Find two articles, one in a current newspaper and the other in a newsmagazine, on a decision made by the president or Congress on a topic such as Social Security, education, or taxes.
2. What points were the articles trying to make? Were the articles successful? Can the facts be verified?

Did either of the articles reflect a bias toward one viewpoint or the other? List any unsupported statements.

Was the news reported on the scene or secondhand? Do the articles seem to represent both sides fairly?

How many sources can you identify in the articles? List them.

Skills Assessment

Complete the Practicing Skills questions on page 1009 and the Chapter 33 Skill Reinforcement Activity to assess your mastery of this skill.

Applying the Skill

Analyzing News Media Think of an issue in your community or in the nation on which public opinion is divided. Read newspaper features and editorials and monitor television reports about the issue. Can you identify any biases? Which reports more fairly represent the issue? Which reports are the most reliable?
The End of the Cold War

Main Idea
President George Bush’s foreign policy commanded broad support, but his domestic agenda did not.

Key Terms and Names
perestroika, glasnost, Boris Yeltsin, Tiananmen Square, Saddam Hussein, downsizing, capital gains tax, H. Ross Perot, grassroots movement

Reading Strategy
Categorizing: As you read about the administration of President Bush, complete a chart similar to the one below by describing U.S. foreign policy in each of the places listed on the chart.

<table>
<thead>
<tr>
<th>Place</th>
<th>Foreign Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soviet Union</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td></td>
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<tr>
<td>Panama</td>
<td></td>
</tr>
<tr>
<td>Middle East</td>
<td></td>
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</tbody>
</table>

Reading Objectives
• Identify the events that brought an end to the Cold War.
• Explain the domestic challenges facing the Bush administration.

Section Theme

Preview of Events

1989
May, 1989
Tiananmen Square protests begin

1990
November, 1989
Berlin Wall falls

August, 1990
Iraq invades Kuwait

1991
January, 1991
Persian Gulf War begins

December, 1991
Soviet Union collapses

1992

An American Story

On October 31, 1990, General Colin Powell, who was the chairman of the Joint Chiefs of Staff, Secretary of Defense Dick Cheney, and other high-ranking officials met with President George Bush. In August the country of Iraq had invaded neighboring Kuwait. American troops had been rushed to the Middle East in response. Now the president had to decide whether to go to war.

General Brent Scowcroft, a close adviser to Bush, began the meeting: “Mr. President, we are at a Y in the road. Down one branch we can continue sanctions. . . . Down the other branch we . . . go on the attack.” Powell then presented the plan for attacking Iraq. Several advisers gasped at the numbers, which called for over 500,000 American troops. “Mr. President,” Powell began, “I wish . . . that I could assure you that air power alone could do it but you can’t take that chance. We’ve gotta take the initiative out of the enemy’s hands if we’re going to go to war.” Cheney later recalled that Bush “never hesitated.” He looked up from the plans and said simply, “Do it.”

—adapted from *Triumph Without Victory* and *PBS Frontline Gulf War Interviews*

George Bush Takes Office

The war in the Persian Gulf was only one of many international crises that confronted President George Bush after his election in 1988. Fortunately, Bush’s strength was in foreign policy. In the 1970s, he had served as ambassador to the UN and as the nation’s first
diplomatic envoy to the People’s Republic of China. He then headed the CIA from 1976 to 1977 before becoming vice president in 1981.

When Ronald Reagan left office, few Americans were thinking about foreign policy. They generally wanted a continuation of Reagan’s domestic policies—low taxes and less government action. When Bush accepted the Republican nomination in 1988, he tried to reassure Americans by making a promise: “Read my lips: No new taxes.”

The Democrats hoped to regain the White House in 1988 by promising to help working-class Americans, minorities, and the poor. One candidate for the nomination, civil rights leader Jesse Jackson, tried to create a “rainbow coalition”—a broad group of minorities and the poor—by speaking about homelessness and unemployment. Jackson finished second in the primaries, the first African American to make a serious run for the nomination.

The Democrats’ final choice was Massachusetts governor Michael Dukakis. The Bush campaign portrayed him as too liberal, unpatriotic, and “soft on crime.” The Democrats questioned Bush’s leadership abilities, but Bush had Reagan’s endorsement, and with the economy still doing well, few Americans wanted to switch parties. Bush won 54 percent of the popular vote and defeated Dukakis 426 to 111 in the Electoral College. Democrats, however, kept control of Congress.

**Reading Check**

**Describing** What kind of strategy did the Bush campaign use in the 1988 election?

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### The Cold War Ends

Almost immediately after taking office, President Bush had to draw on his foreign policy experience. With the help of Secretary of State James Baker, the president steered the United States through an era of sweeping change that resulted from the sudden end of the Cold War.

**Gorbachev’s Reforms** As president, Bush continued Reagan’s policy of cooperation with Soviet leader Mikhail Gorbachev. By the late 1980s, the Soviet economy was suffering from years of inefficient central planning and huge expenditures on the arms race. To save the economy, Gorbachev instituted *perestroika*, or “restructuring,” and allowed some private enterprise and profit-making.

The other principle of Gorbachev’s plan was *glasnost*, or “openness.” It allowed more freedom of religion and speech, allowing people to discuss politics openly.

**Revolution in Eastern Europe** With Gorbachev’s support, *glasnost* spread to Eastern Europe. In 1989 peaceful revolutions replaced Communist rulers with democratic governments in Poland, Hungary, Czechoslovakia, Romania, and Bulgaria. The spreading revolution soon reached East Germany, and at midnight on November 9, 1989, guards at the Berlin Wall opened the gates. Within days, bulldozers leveled the hated symbol of Communist repression. Within a year, East and West Germany had reunited.
The Soviet Union Collapses  As Eastern Europe abandoned communism, Gorbachev faced mounting criticism from opponents at home. In August 1991, a group of Communist officials and army officers staged a coup—an overthrow of the government. They arrested Gorbachev and sent troops into Moscow.

In Moscow, Russian president Boris Yeltsin defied the coup leaders from his offices in the Russian Parliament. About 50,000 people surrounded the Russian Parliament to protect it from troops. President Bush telephoned Yeltsin to express the support of the United States. Soon afterward, the coup collapsed, and Gorbachev returned to Moscow.

The defeat of the coup brought change swiftly. All 15 Soviet republics declared their independence from the Soviet Union. Yeltsin outlawed the Communist Party in Russia. In late December 1991, Gorbachev announced the end of the Soviet Union. Most of the former Soviet republics then joined in a federation called the Commonwealth of Independent States.

The “New World Order”  After the Cold War, the world became increasingly unpredictable. In a phrase made popular by President Bush, a “new world order” was developing. While trying to redefine American foreign policy, Bush faced crises in China, Panama, and the Middle East.

Tragedy in Tiananmen Square  Despite the collapse of communism in Eastern Europe and the Soviet Union, China’s Communist leaders were determined to stay in power. China’s government had relaxed controls on the economy, but it continued to repress political speech and dissent. In May 1989, Chinese students and workers held demonstrations for democracy. In early June, government tanks and soldiers crushed their protests in Tiananmen Square in Beijing—China’s capital. Many people were killed and hundreds of pro-democracy activists were arrested. Many were later sentenced to death.

These events shocked the world. The United States and several European countries halted arms sales and reduced their diplomatic contacts with China. The World Bank suspended loans. Some congressional
leaders urged even stronger sanctions, but President Bush resisted these harsher measures, believing that trade and diplomacy would eventually moderate China’s behavior.

Panama While President Bush struggled to deal with global events elsewhere, a crisis developed in Panama. In 1978 the United States had agreed to give Panama control over the Panama Canal by the year 2000. Because of the canal’s importance, American officials wanted to make sure Panama’s government was both stable and pro-American.

By 1989 Panama’s dictator, General Manuel Noriega, had stopped cooperating with the United States. He also aided drug traffickers, cracked down on opponents, and harassed American military personnel defending the canal. In December 1989, Bush ordered American troops to invade Panama. The troops seized Noriega, who was sent to the United States to stand trial on drug charges. The troops then helped the Panamanians hold elections and organize a new government.

The Persian Gulf War President Bush faced perhaps his most serious crisis in the Middle East. In August 1990, Iraq’s dictator, Saddam Hussein, sent his army to invade oil-rich Kuwait. American officials feared the invasion was only the first step and that Iraq’s ultimate goal was to capture Saudi Arabia and its vast oil reserves.

President Bush persuaded other UN member countries to join a coalition to stop Iraq. Led by the United States, the United Nations first imposed economic sanctions on Iraq and demanded the Iraqis withdraw. The coalition forces included troops from the United States, Canada, Europe, and Arab nations. The UN set a deadline for the Iraqi withdrawal, or the coalition would use force to remove them. Congress also voted to authorize the use of force if Iraq did not withdraw.

Iraq refused to comply with the UN deadline, and on January 16, 1991, the coalition forces launched Operation Desert Storm. Dozens of cruise
Oil was an important factor in the Gulf War. In August 1990, Iraq invaded its oil-rich neighbor, Kuwait. To repel this aggression and to prevent oil reserves from falling under the control of Iraqi dictator Saddam Hussein, President Bush sent troops to the area. Working with troops from other nations, American forces expelled Hussein’s troops from Kuwait.

The attack killed thousands of Iraqi soldiers, and hundreds of thousands more surrendered. Fewer than 300 coalition troops were killed. Just 100 hours after the ground war began, President Bush declared Kuwait to be liberated. Iraq accepted the coalition’s cease-fire terms, and American troops returned home to cheering crowds.

**Reading Check**

**Examining** Why did President Bush take action when Iraqi troops invaded Kuwait?

**Domestic Challenges**

President Bush spent much of his time dealing with foreign policy, but he could not ignore domestic issues. He inherited a growing deficit and a slowing economy. With the Persian Gulf crisis, the economy plunged into a recession and unemployment rose.

**ECONOMICS**

**The Economy Slows** The recession that began in 1990 was partly caused by the end of the Cold War. As the Soviet threat faded, the United States began reducing its armed forces and canceling orders for military equipment. Thousands of soldiers and defense industry workers were laid off.

Other companies also began downsizing—laying off workers and managers to become more efficient. The nation’s high level of debt made the recession worse. Americans had borrowed heavily during the 1980s and now faced paying off large debts.

In addition, the huge deficit forced the government to borrow money to pay for its programs. This borrowing kept money from being available to businesses. The government also had to pay interest on its debt, money that might otherwise have been used to fund programs or boost the economy.

As the economy slowed, hundreds of savings and loans institutions collapsed. After they had been deregulated under President Reagan, many had made risky or even dishonest investments. When these investments failed, depositors collected on federal programs to insure deposits. The cost to the public may have reached $500 billion.
Gridlock in Government  Shortly after taking office, Bush tried to improve the economy. He called for a cut in the capital gains tax—the tax paid by businesses and investors when they sell stocks or real estate for a profit. Bush believed the tax cut would encourage businesses to expand. Calling the idea a tax break for the rich, Democrats in Congress defeated it.

Aware that the growing federal deficit was hurting the economy, Bush broke his “no new taxes” campaign pledge. After meeting with congressional leaders, he agreed to a tax increase in exchange for cuts in spending. This decision turned many voters against Bush. They blamed him both for the tax increase and for trying to cut social programs.

Extending Rights  Although President Bush and Democrats in Congress disagreed on economic issues, they cooperated on other legislation. One example was the Americans with Disabilities Act (ADA), signed by Bush in 1990. The legislation forbade discrimination in workplaces and public places against people who were physically or mentally challenged. The law had widespread effect. Access ramps were added to buildings, closed-captioned television became more commonplace, and wheelchair lifts were installed on city buses.

Reading Check  Summarizing Why did President Bush lose popularity as the 1992 election approached?

The 1992 Election  Although the recession had weakened his popularity, Bush won the Republican nomination. Bush promised to address voters’ economic concerns, and he blamed congressional Democrats for the gridlock that seemingly paralyzed the nation’s government.

The Democrats nominated Arkansas governor Bill Clinton, despite stories that questioned his character and his failure to serve in Vietnam. Calling himself a “New Democrat” to separate himself from more liberal Democrats, Clinton promised to cut middle-class taxes and spending and to reform the nation’s health care and welfare programs. His campaign repeatedly blamed Bush for the recession.

Many Americans were not happy with either Bush or Clinton. This enabled an independent candidate, billionaire Texas businessman H. Ross Perot, to make a strong challenge. Perot stressed the need to end deficit spending. His no-nonsense style appealed to many Americans. A grassroots movement—groups of people organizing at the local level—put Perot on the ballot in all 50 states.

Bill Clinton won the election with 43 percent of the popular vote and 370 electoral votes. The Democrats also retained control of Congress. Bush won 37 percent of the popular vote, while Perot received 19 percent—the best showing for a third-party candidate since 1912—but no electoral votes.

As the first president born after World War II, the 46-year-old Clinton was the first person from the “baby boom” generation to enter the White House. It was his task to revive the economy and guide the United States in a rapidly changing and increasingly technological world.

Reading Check  Evaluating Why did some people vote for H. Ross Perot in 1992? How successful was his election campaign as a third-party candidate?

Checking for Understanding

1. Define: perestroika, glasnost, downsizing, capital gains tax, grassroots movement.
2. Identify: Boris Yeltsin, Tiananmen Square, Saddam Hussein, H. Ross Perot.
3. Describe how Mikhail Gorbachev tried to reform the Soviet government.
4. Economic Factors  How did the economy affect the 1992 election?

Reviewing Themes

4. Economic Factors  How did the economy affect the 1992 election?

Critical Thinking

5. Analyzing  How did the United States and its Western allies finally achieve victory in the Cold War?
6. Organizing  Use a graphic organizer similar to the one below to list the causes of the recession of the early 1990s.

<table>
<thead>
<tr>
<th>Budget Problems</th>
<th>Economic Problems</th>
<th>Foreign Developments</th>
</tr>
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<tbody>
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</table>

Analyzing Visuals

7. Studying Maps  Examine the map on page 1005. Which nations have significant oil resources?

Writing About History

8. Descriptive Writing  Imagine that you are traveling in West Germany in 1989 when the Berlin Wall is being torn down. Write a letter back home to describe the event and the feelings of the German people. Also include your reaction to the situation and how you think it will affect the United States.
I grew up victim to a disabling confusion. As I grew fluent in English, I no longer could speak Spanish with confidence. I continued to understand spoken Spanish. And in high school, I learned how to read and write Spanish. But for many years I could not pronounce it. A powerful guilt blocked my spoken words; an essential glue was missing whenever I’d try to connect words to form sentences. . . .

When relatives and Spanish-speaking friends of my parents came to the house, my brother and sisters seemed reticent to use Spanish, but at least they managed to say a few necessary words before being excused. . . . I was cursed with guilt. Each time I’d hear myself addressed in Spanish, I would be unable to respond with any success. I’d know the words I wanted to say, but I couldn’t manage to say them. I would try to speak, but everything I said seemed to me horribly anglicized. My mouth would not form the words right. . . .

It surprised my listeners to hear me. They’d lower their heads, better to grasp what I was trying to say. They would repeat their questions in gentle, affectionate voices. But by then I would answer in English. No, no, they would say, we want you to speak to us in Spanish. . . . But I couldn’t do it. Pocho then they called me. Sometimes playfully, teasingly, using the tender diminutive—mi pochito. Sometimes not so playfully, mockingly, Pocho. (A Spanish dictionary defines that word as an adjective meaning “colorless” or “bland.” But I heard it as a noun, naming the Mexican-American who, in becoming an American, forgets his native society. . . .)
Reviewing Key Facts
15. Identify: William F. Buckley, William Rehnquist, Mikhail Gorbachev, AIDS, Boris Yeltsin, Saddam Hussein, H. Ross Perot.
16. Why did people in the Sunbelt tend to be conservative?
17. What three steps did President Reagan take to improve the economy?
18. What social issues did the United States face in the 1980s?
19. What event triggered the Persian Gulf War?
20. What economic problems did President George Bush face during his administration?

Critical Thinking
21. Analyzing Themes: Global Connections What event brought an end to the Cold War in the 1980s? What effect did that have on U.S. policies and on the U.S. economy?
22. Synthesizing How did conservatives gain political power in the 1980s?
23. Forming an Opinion On what part of the liberal-conservative spectrum would you place yourself? Why?
24. Interpreting Primary Sources President Ronald Reagan addressed the American people for the last time at the end of his presidency in 1988. The following is an excerpt from that address:

“It’s been quite a journey this decade, and we held together through some stormy seas. And at the end, together, we are reaching our destination. . . . The way I see it, there were two great triumphs, two things that I’m proudest of. One is the economic recovery, in which the people of America created—and filled—19 million new jobs. The other is the recovery of our morale. America is respected again in the world and looked to for leadership. . . .

Common sense told us that when you put a big tax on something, the people will produce less of it. So, we cut the people’s tax rates, and the people produced more than ever before. The economy bloomed. . . . Common sense told us that to preserve the peace, we’d have to become strong again after years of weakness and confusion. So, we rebuilt our defenses, and this New Year we toasted the new peacefulness around the globe. . . .

Countries across the globe are turning to free markets and free speech and turning away from the ideologies of the past. . . .
[O]ne of the things I’m proudest of in the past eight years is the resurgence of national pride that I called the new patriotism. This national feeling is good, but it won’t count for much, and it won’t last unless it’s grounded in thoughtfulness and knowledge. . . .

An informed patriotism is what we want . . . Let’s start with some basics: more attention to American history and greater emphasis on civic ritual. . . .

—from Speaking My Mind

a. What did Reagan believe were his greatest accomplishments as president?
b. What did Reagan believe would promote patriotism in the nation? Do you agree with his belief? Why or why not?

25. Organizing Use a graphic organizer similar to the one below to list the domestic and foreign issues faced by the Reagan and Bush administrations.

<table>
<thead>
<tr>
<th>Issues</th>
<th>Reagan Administration</th>
<th>Bush Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Practicing Skills

26. Analyzing News Media Choose one current issue or event and compare its coverage in two different media. Which medium supplies the most facts? Is the coverage that is provided by both media consistent? What are the advantages and disadvantages of each medium? Write a two-page analysis comparing the two media, including a conclusion about which one is better.

Writing Activity

27. Writing a Report Research the status today of the independent republics formed from the Soviet Union. Find out about their political, social, and economic situations. Present your findings in a written report.

Chapter Activity

28. Creating a Thematic Graph Using a scale of 1 to 10, evaluate how successful each president was in dealing with the issues you listed in question 25. Create a thematic graph depicting each president’s success rate per issue.

Geography and History

29. The map above shows the results of the 1992 presidential election. Study the map and answer the questions below.
   a. Interpreting Maps How far short did President Bush fall in the race for Electoral College votes?
   b. Applying Geography Skills Bill Clinton won his strongest support in which region of the nation?

Standardized Test Practice

Directions: Choose the phrase that best completes the following sentence.

The Strategic Defense Initiative (SDI) was proposed to strengthen the military by
A preventing the expansion of Communist countries.
B reemphasizing the use of infantry troops in future wars.
C developing weapons that would intercept and destroy incoming nuclear missiles.
D severely reducing the number of American troops stationed worldwide.

Test-Taking Tip: Eliminate answers that do not make sense. Reducing the number of American troops (answer D), for example, probably would not strengthen the military.