

Election of 1980**A. Nominations**

1. Democrats nominated Jimmy Carter after a challenge from Senator Edward Kennedy.
-- Kennedy's Chappaquiddick affair killed his candidacy
2. Republicans nominated Ronald Reagan of California
 - a. The leading spokesman for American conservatism
 - b. Became a B-grade movie star in the 1940s and was a New Deal Democrat until he became a spokesman for General Electric in 1954 (during "red scare")
-- President of the Screen Actor's Guild in the 1950s and helped purge Communists from the film industry.
 - c. California governor from 1966 to 1974
3. John Anderson, an Independent Congressman, ran on a third party ticket.

B. Campaign

1. Reagan called for reductions in government spending and taxes, shift in power from the federal gov't to the states, and advocated "traditional American values" -- family, religion, hard work, and patriotism.
 - a. Blasted the Soviets for their aggression and vowed to rebuild the U.S. military.
 - b. Received vigorous support from the "New Right" incl. evangelical Christian groups like Jerry Falwell's Moral Majority.
 - i. Denounced abortion, pornography, homosexuality, the ERA, and esp. affirmative action.
 - ii. Championed prayer in schools and tougher penalties for criminals.
 - c. Reagan denounced the activist gov't and failed "social engineering" of the "Great Society" in the 1960s.
 - d. Promised to get the government off people's backs.
2. Carter defended his record, but was uninspiring in style.
 - a. Inability to control "double digit" inflation especially damaging.
 - b. Iran crisis also damaging.
 - c. Charged that Reagan was a war-monger who might push the country into nuclear war.

C. Results: Reagan d. Carter 489 to 49

1. Reagan got over 51% of vote; Carter 41%; Anderson 7%.
2. Carter first elected president to be unseated by voters since Herbert Hoover.
3. Republicans gained control of the Senate for first time in 25 years.
4. Ushered in the conservative "Reagan Revolution" that would continue into the mid-1990s.

Reagan and the Cold War**A. Reagan's early rhetoric vis-à-vis Soviet Union harsh.**

1. U.S. concerned about Soviet invasion of Afghanistan in 1979
2. Sought to deal with Soviets from a position of strength by embarking on a massive new round to the arms race.
-- American's could better bear the burden of the expense while the Soviets couldn't.
3. October 1981, Reagan seemed to endorse the concept that the U.S. might fight the

Soviets in a "limited" nuclear war on European soil.

-- Western Europeans horrified

B. Strategic Defense Initiative (SDI) -- "Star Wars"

1. March 1983, Reagan announced his intention to pursue a high-technology missile-defense system.

a. Plan called for orbiting battle stations in space that could fire laser beams or other forms of concentrated energy to vaporize intercontinental missiles on lift-off.

b. Reagan claimed SDI offered a nuclear umbrella over American cities.

c. Most scientists viewed SDI as impossible and it became the cause of much ridicule in the scientific community.

2. Diplomatically, Reagan sought to use SDI to scare the Soviets.

3. NUTS vs. MAD

1. SDI upset four decades of strategic thinking about nuclear weapons.

2. Nuclear Utilization Theory (NUTs) advocated the winning of a nuclear war.

-- Reagan's staff drew up estimates of so-called reasonable losses in the event of a nuclear war -- some as high as 40%.

3. Hitherto, Mutual Assured Destruction (MAD), had assured a "balance of terror" for 4 decades.

4. Reagan's dramatic increase in defense spending placed enormous pressures on the Soviet economy.

a. When Gorbachev came to power in 1985, he would try to reform the Soviet system rather than outcompete the U.S.

b. Some historians today credit Reagan's aggressive policies as winning the Cold War and forcing the disintegration of the Soviet Union in 1991.

C. "Solidarity" movement in Poland (1982) sought reforms but was ultimately stopped by Polish military that was intimidated by Soviets to restore order.

1. Reagan imposed economic sanctions on Poland and Russia.

2. U.S. grain sales not cut off since it would hurt U.S. farmers.

D. KAL 007, September 1983

1. Soviets blew from the sky a Korean airliner carrying hundreds of civilians including many Americans.

--Plane had accidentally veered into Soviet airspace.

2. By end of 1983, all arms-control negotiations with Russians were broken off.

3. "Evil Empire" speech -- Reagan called the USSR "the evil empire" and the "focus of evil in the modern world."

-- Justified his military build-up as necessary to thwart aggressive Soviets.

E. Middle East foreign policy challenges

1. Lebanon

a. Reagan sent Marines to Lebanon in 1983 as part of an international peacekeeping force after Israeli attacks against Palestinian strongholds in Lebanon caused chaos.

b. October 23, 1983, a suicide bomber crashed his truck into a U.S. Marine barracks killing 241 Marines.

i. Reagan soon pulled remaining American troops while suffering no political damage from the attack.

ii. Opponents called him a "Teflon president" to whom nothing hurtful could stick.

2. Bombing of Libya

- a. Reagan ordered the bombing of Libya in 1986 in retaliation for an alleged Libyan-sponsored bombing of a West Berlin discotheque that killed a U.S. serviceman.
- b. Col. Mommar Qaddafi had long been a sponsor for terrorism against the West.
- 3. Iran-Iraq War
 - U.S. backed Iraq and its leader Saddam Hussein as Iran and the U.S. had become bitter enemies since 1979 Iranian Revolution.
- F. Western Hemisphere foreign policy challenges
 - 1. Nicaragua
 - a. "Sandinistas" were socialist revolutionaries who made practice condemning capitalism and U.S. policies in Latin America; supported by Cuba.
 - b. Reagan accused Sandanistas of turning their country into a forward base for Soviet and Cuban military penetration of all of Central America.
 - c. Reagan sent covert aid including CIA-led mining of harbors to the "contra" rebels ("freedom fighters") opposing the anti-U.S. gov't in Nicaragua.
 - Resulted in the Iran-Contra Scandal
 - 2. El Salvador
 - a. Reagan sent military "advisors" to prop up pro-U.S. (anti-communist) gov't of El Salvador as well as gaining congressional approval for \$5 billion in aid.
 - b. Public opinion soured after news of gov't "death squads" eliminating hundreds, perhaps thousands of opposition.
 - 3. Grenada
 - a. In 1983, Reagan sends 6,000 troops to tiny Grenada in the Caribbean where a military coup had killed the prime minister and brought a Marxist regime to power.
 - b. U.S. forces successfully overran the island

The End of the Cold War

- A. Mikhail Gorbachev
 - 1. 1985, Gorbachev became a reform-minded leader of the Soviet Union.
 - Allowed for free-speech, capitalist economic reforms, and some democracy.
 - 2. Gorbachev courts the West
 - Stated Soviets would cease deployment of intermediate-range nuclear forces (INF) targeted on Western Europe if the U.S. agreed to their elimination.
 - 3. INF Treaty signed in Washington, D.C. in December 1987 (after 2 years of negotiations)
 - a. All intermediate-range nuclear missiles from Europe banned.
 - b. Significant break through in the Cold War.
 - c. Reagan & Gorbachev: "Nuclear war cannot be won and must never be fought"
- B. "Iron Curtain" fell in 1989
 - 1. Costs of maintaining satellite countries, both politically and economically, were too much of a burden for the Soviets to handle.
 - Gorbachev's political reforms opened the floodgates for the democratization of Eastern Europe and the decline of Soviet influence.
 - 2. Solidarity prevails in Poland in August 1989
 - Wave of freedom spread through eastern Europe.
 - 3. Hungary in October
 - 4. Berlin Wall torn down in November; Germany reunited in October 1990
 - 5. Bulgaria in November

6. Czechoslovakia ("the velvet revolution") in December
7. Romania in December (most violent of the 1989 European revolutions)
- C. Reduction of nuclear weapons
 1. President George Bush & Gorbachev agree to dramatic cutbacks in ICBMs in 1990s.
 2. START -- strategic arms reduction treaty.
 - a. Would cut 10% of U.S. nuclear weapons and 25% of Soviet nukes and limit ICBM warheads to 1,100 each.
 - b. Later treaty called for 50% reductions within a few years.
 3. American analysts began discussing possible "peace dividend" which could be used for social programs, rebuilding infrastructure, and reduction of national debt.
- D. Fall of the Soviet Union (December 25, 1991) resulted in end of Cold War

Reagan's domestic policy -- 1st term

- A. Assassination attempt in March 1981 nearly killed Reagan
 - White House Press Sec. James Brady shot in the head and debilitated for years after.
- B. Reaganomics -- Supply-side economics
 1. Reagan cut taxes on the "trickle down" idea that if the people had more money, they would invest rather than spend the excess on consumer goods.
 - a. Results would be greater production, more jobs, and greater prosperity
 - b. Gov't revenues would increase despite lower taxes.
 2. Economic Recovery Tax Act, 1981
 - Congress granted Reagan a 25% cut, spread over three years.
 3. Reagan enacted large budget cuts in domestic programs inc. education, food stamps, public housing, and National Endowments for the Arts and Humanities.
 - Reagan said he would maintain a "safety net" for the "truly needy" focusing on those unable to work because of disability or need for child care.
 4. Defense budget increased by \$12 billion.
 5. Result: huge budget deficits that resulted in rise in national debt from \$1 trillion in 1980 to \$3 trillion in 1988
 - a. Taxes had to be implemented in 1984 in order to make up for budget deficit.
 - b. In mid-1980s, U.S. became a debtor nation for 1st time since WWI.
- C. Recession
 1. By Dec. 1982, economy in recession due to Federal Reserve's "tight money" policy.
 - a. 10% unemployment.
 - b. Deficit of \$59 billion in 1980 reached \$159 billion by 1983.
 2. Yet, inflation fell from 12% in 1979 to 4% in 1984.
 - Helped by lower demand for goods and oversupply of oil.
 3. Federal Reserve Board began to lower interest rates which together with lower inflation and more spendable income due to lower taxes, resulted in an increase in business.
 - Unemployment fell to less than 8%.
- D. Deregulation (begun under Carter)
 1. Reagan and Congress deregulated AT&T, airline, and trucking industries.
 - Consolidation resulted with many smaller companies going under.
 2. S & L bailout
 - a. In 1982, many savings and loan institutions were threatened with insolvency.

- b. Reagan pushed for deregulation of the savings and loan industries paved the way for banks to make riskier loans and for shady administrators to bilk millions.
 - i. Third World countries unable to repay risky loans.
 - ii. Wave of mergers, acquisitions, and leveraged buyouts (LBOs) left companies saddled with heavy debt.
 - Bankruptcy became a convenient way to escape debt and became a hefty tax write-off.
 - c. Starting in 1989, the gov't was forced to bail out over \$500 million worth of bank failures; the taxpayers covered the bill.
- E. Air Traffic Controllers strike
- 1. August 1981, federally employed air traffic controllers entered an illegal strike.
 - 2. Reagan fired 11,400 of them after they refused to follow his order to return to work.
 - Began training replacements and used military controllers during the interim.
 - 3. Air traffic controllers' union destroyed
- F. Women and minorities
- 1. Reagan appointed Sandra Day O'Connor as the first female associate justice to the Supreme Court in U.S. history.
 - 2. Yet, Reagan gave fewer appointments to women and minorities than the Carter administration.
 - 3. Reagan opposed "equal pay for equal work" and renewal of the Voting Rights Act of 1965.
- G. Election of 1984
- 1. Democrats nominated Walter Mondale, former v.p. under Carter and former senator
 - a. Geraldine Ferraro nominated as first female v.p. nominee in U.S. history.
 - b. Mondale criticized Reagan for his budget deficits, high unemployment and interest rates, and reduction of spending on social services.
 - 2. Ronald Reagan and George Bush renominated by the Republican party.
 - 3. Reagan d. Mondale 525 to 13 and gained 60% of popular vote.
 - a. Democratic coalition from the days of FDR consisting of industrial workers, farmers, and the poor broken apart.
 - Only blacks remained as a Democratic voting block.

Reagan's Domestic Policy -- 2nd Term

- A. Tax Reform Act of 1986
 - 1. Lowered tax rates, changing the highest rate on personal income from 50% to 28% and corporate taxes from 46% to 34%.
 - 2. Removed many tax shelters and tax credits.
- B. Immigration Reform and Control Act of 1986
 - 1. Attempted to deal with problem of illegal immigration
 - a. Escalated penalties on employers hiring undocumented workers
 - b. Increased resources of Immigration and Naturalization Service (INS) to enforce the law.
 - 2. Offered resident alien status to any individual who proved they had been living in the U.S. continually since 1982.
 - 3. Result: Reduced flow of immigration until global recession of early 1990s.
- C. Iran-Contra Scandal (see "Imperial Presidency" above)
- D. Mergers

- a. Encouraging by deregulation under Carter and Reagan as well as emerging int'l economy, and fueled by funds released by new tax breaks, mergers became a widespread phenomenon in the 1980.
 - b. Multinational corporations began to dominate the international economy.
- E. Black Monday, October 19, 1987
- a. Stock prices had soared in the early 80s due in part to Reagan's easing of controls on the stock market, brokerage houses, banks, and savings and loan institutions.
 - b. October 19, 1987, Dow Jones stock market average dropped over 500 points.
 - c. Fearing recession, Congress reduced 1988 taxes by \$30 billion.
 - d. By the mid-1990s, stock market indexes doubled in light of a more stable economy.
- F. Challenger explosion, February 1986 killed 7 astronauts (including 1st teacher in space)
- Damaged NASA's credibility and reinforced doubts about the complex technology required for the SDI program.
- G. Supreme Court -- Culture War?
- a. Reagan sought to demolish two liberal cultural strongholds: affirmative action and abortion.
 - b. Effectively ended affirmative action in gov't
 - c. Overturned desegregation laws
 - d. Ended voting districts based on race (North Carolina gerrymandering case)
- H. Reagan's economic legacy
- a. Tax cuts and increased military spending created lost revenue of \$200 billion per year.
 - b. National debt tripled from about 1 billion in 1980 to about 3 billion in 1988.
 - c. Deficits did not begin to diminish until Clinton's presidency in mid-1990s
 - d. Debt serendipitous for conservatives
 - Reduced growth of gov't and led to cuts in social spending since less money available for gov't to spend.