**CHAPTER 27**

**Reagan’s America**

**Learning Outcomes**

* 1. Evaluate the domestic policies of Ronald Reagan as president, including the economic challenges the country faced in the 1980s.

**Objectives**

1. List and explain the three essential components of what was called the “Reagan Revolution,” and evaluate the success of his overall plan.

2. Discuss the implementation and outcome of deregulation policies.

3. Describe Reagan’s aims in selecting Supreme Court justices and administrative officials.

* 1. Describe the “culture wars” that plagued the nation during the 1980s.

**Objectives**

1. Explain how Reagan’s economic policies contributed to the divisions between the wealthy and the poor and between whites and minority groups.

2. Describe the problems, including drug trafficking and the federal response, that American cities faced during the Reagan years.

3. Analyze the growing importance of the New Right movement in America, and show how its members stimulated “culture wars” between them and those who disagreed with them.

4. Examine the rise of AIDS awareness in American society.

* 1. Discuss the problems that Reagan’s successor faced in paying for the “Reagan Revolution.”

**Objectives**

1. Examine the political strategies used in the 1988 election (and how campaign pledges came back to haunt Bush).

2. Describe the programs started by Reagan that his vice president and successor, George Bush, was left to deal with the savings and loan financial disaster that hit the country.

* 1. Describe the conditions for, and the aftermath of, the end of the Cold War.

**Objectives**

1. Explain Reagan’s attitude toward the Soviet Union, and describe how that attitude changed as his presidency progressed.

2. Discuss the role of Star Wars, Perestroika, and outside events in leading to the collapse of the Soviet Union.

3. Examine the other major foreign affairs, including the Middle East and the Iran-Contra Affair.

4. Describe the Chinese government’s actions at Tiananmen Square and the American victory in the Persian Gulf War.

**Chapter Summary**

Ronald Reagan entered office after the 1980 election on the heels of a president who had spoken of a “malaise” that was hanging over Americans. With his sunny personality and actor’s swagger, Reagan would have none of that. Confidence and social conservatism were his trademarks, and he began by cutting taxes for the wealthy. This brand of economics, which carries the name “supply-side economics,” has as its premise that by helping the wealthy, they can invest in their businesses and hire more workers, and so on. Reagan also deregulated many businesses while appointing more conservative judges to the highest courts of the land. He appointed three conservatives to the Supreme Court, Sandra Day O’Connor (1981), Antonin Scalia (1986), and Anthony Kennedy (1988); he also named William Rehnquist (a Nixon appointee) as chief justice.

Reagan’s policies and the growing divide in wealth between the rich and the poor polarized the American public. Reagan’s tax cuts and his cuts to social welfare programs affected different groups of Americans differently. The policies clearly favored the wealthy. Their taxes dropped, and they benefited the most from Reagan’s business-friendly policies, including deregulation of big industries. The percentage of Americans living below the poverty line increased dramatically during Reagan’s first term.

Externally, Japan enjoyed a trade deficit with the U.S., while, internally, American cities, plagued with drugs and violence, were deteriorating. Social conservatives made railing against the excesses of an overly permissive culture a priority. With leaders like Pat Robertson, James Dobson, and Jerry Falwell, evangelical Christians made up the bulk of the proponents of the New Right, while conservative radio personalities like Rush Limbaugh fueled the movement and stoked the belief that the United States had become unmoored from its Christian principles. Awareness of a new and terrifying disease, AIDS, spread as it moved throughout gay and straight America.

Not only was Reagan’s successor hindered by having to follow the charismatic former actor, but George H.W. Bush had to find a way to pay for the Reagan Revolution. As the economy stalled, the S&L Crisis hit, accruing additional national debt. Bush found it necessary to break his 1988 campaign promise not to raise taxes. Nevertheless, the American economy suffered a recession during Bush’s term. Reneging on his word about raising taxes would, in 1992, cost him his bid for reelection.

Reagan had entered office calling the Soviet Union an “evil empire.” He also began various new weapons programs that, in an effort to keep up, helped lead to the economic collapse of the Soviet Union. Among the many facets of Reagan’s actions, the bluntest was to increase the number of American weapons, reigniting the arms race that had slowed through the 1970s. However, by the time he left office, he and the new Soviet premier had struck up a friendship, the fall of the Berlin Wall was only months away, and the failure of communism would soon bring about the downfall of the Soviet Union. Historians still debate, however, whether the hard line of the U.S. during the Cold War legitimized Soviet stalwarts or whether the Soviet collapse proved the containment strategy to be successful.

Reagan’s Cold War focus on keeping left-wing governments out of Latin America and his desire to guard American interests in the Middle East converged in the Iran-Contra affair. The “Evil Empire” outlasted Reagan, but only briefly, with euphoria breaking out after the fall of the Berlin Wall and the subsequent collapse of the Soviet Union. This trend was not repeated in China, where communist leaders quickly suppressed dissent at Tiananmen Square. After the popular and successful Persian Gulf War in 1991, the economy in the U.S. tanked. The big question was whether or not Bush could hold on to win reelection for a second term.

**Chapter Outline**

I. Reagan’s Domestic Politics

A. Comfortably Conservative

B. Deregulation

C. Judicial and Administrative Appointments

II. America in the 1980s: Polarization of the American Public

A. Divisions in Wealth

1. The Rise of Japan and the American Trade Deficit

B. Continued Crisis in the Cities

C. Culture Wars

D. AIDS

III. Paying for the Reagan Revolution

A. The 1988 Election

B. Bush’s Domestic Policies

1. The S&L Crisis

2. No New Taxes?

3. Recession

IV. Foreign Relations under Reagan-Bush

A. The End of the Cold War Era

1. Star Wars

2. *Perestroika*

3. The Middle East

4. The Iran-Contra Affair

5. The Collapse of the Soviet Union

B. Other Foreign Affairs

1. Tiananmen Square

2. The Persian Gulf War

V. Looking Ahead…

**Suggested Lecture Topics**

1. Ronald Reagan Brings Down the “Evil Empire”—Or *Does* He?

2. “Trickle Down Economics”—Does It *Ever* Trickle Down?

3. The Fall of the Berlin Wall and the Rebirth of Hope in Europe

4. Do We *Ever* Learn the Lessons of History? The Lessons We Should Have Learned from the Savings and Loan Disaster

5. “The Gulf War: Live! Tonight! In Your Living Room!”

6. The Iran-Contra Affair: Oh, What a Tangled Web We Weave!

7. The AIDS Crisis Hits America, and Americans React with Apathy

(27-4a). There were several reasons why the Soviet Union dissolved in 1991:

a. Containment and the arms race

b. Widespread poverty

c. Gorbachev’s policies

d. The defections of 1989

In small groups have students rank which presidents were the best, preferably within the most recent five to ten presidents. Then ask students which president they would have preferred to have been in control during a major crisis. Compare the students’ rationales (perhaps one student would pick FDR due to WWII or another would pick Reagan for the Cold War). Conclude by tying the end of the Cold War and the presidency. In groups or individually, have students reflect on which president deserves the most credit for the American victory in the Cold War. Finally, ask who was more important for ending the Cold War in the 1980s: Reagan or Gorbachev?

**The Reasons Why**

**Research Topics—Projects and Papers**

Students might choose to complete a project to be presented in class or to write a more traditional research paper. Or instructors could decide which they prefer to have students do. Below are a few topics that are relevant to this chapter. Instructors may, of course, choose to develop their own topics.

1. AIDS in America: Produced in 1993, *And the Band Played On* was based on the book of the same name by Randy Shilts. The film starred Matthew Modine, Lily Tomlin, Sir Ian McKellen, and Alan Alda. The HBO movie took a hard look at government inaction during the first years of the AIDS crisis. It is 140 minutes long, so instructors may find it difficult to work a screening into regular class time; however, students could be assigned to watch the film outside class, and then write a response paper to the film. There should then be class time for in-depth discussion. For a wonderful site that contains a wide variety of supporting information, please see the first web resource listed below.

2. Reagan’s First Inauguration: Assign students the task of covering Ronald Reagan’s first inauguration. This was the day the Iranian hostages were released after 444 days of captivity. Encourage them to cover the day similarly to the way it was covered live: segments on the inauguration interspersed with segments following the hostages as they were removed from the embassy, put on a bus, taken to the airport, and flown to a military base in Germany. Point out to students that the Arab world considered the government’s inability to free its hostages a weakness that could later be exploited, and they chose the release date carefully.

3. The Savings and Loan Debacle: Have students prepare a formal paper that contains a timeline of major events in that crisis as well as a comparison to the deregulation of America’s financial institutions, especially real estate. They should look for commonalities between the two situations.

4. The Middle East and the Iran-Contra Affair: Have students prepare a paper on the relations that the U.S. had with various countries in the Middle East. Ask them to focus especially on the Iran-Contra Affair. Ask them to discuss the conditions under which this took place and how it took place.

**Additional www Resources**

Hatch, Victoria. *And the Band Played On (1993)*. Website created by Victoria Hatch, an undergraduate at Lehigh University, 30 November 1999.

<http://www.lehigh.edu/~ineng/vdh/vdh-title.html>

The Learning Network. President Reagan Is Shot. This is a website by the New York Times.

<http://learning.blogs.nytimes.com/2012/03/30/march-30-1981-president-reagan-is-shot/>

“Links to 1980s Events,” Cold War.org. This site contains some articles on the fall of the Berlin Wall, but its biggest attraction is the large number of outside links to other great sites. These are the links for the 1980s, but at the bottom of the page one can click on a tab for links to pages dealing with the other decades of the Cold War.

<http://www.coldwar.org/articles/80s/links.asp>

**Primary Source Discussions**

**Assignment Name: Ronald Reagan, “Evil Empire” Speech (1983)**

*Introduction*: Follow the link below.

*Visit URL*: http://college.cengage.com/history/wadsworth\_9781133309888/unprotected/ps/evilemp.html

[Ronald Reagan, “Evil Empire” Speech (1983)](http://college.cengage.com/history/wadsworth_9781133309888/unprotected/ps/evilemp.html)

*Instructions*: After reading the introduction and the primary source provided, answer the questions below:

1. What does Reagan imply about the role of Judeo-Christian values in the United States?

2. Why did Reagan likely discuss Marxism-Leninism right after mentioning secularism?

3. Why does Reagan oppose a nuclear freeze (meaning neither the United States nor the Soviet Union builds any more nuclear weapons)?

4. Do you agree that America’s struggle with the Soviet Union was a spiritual one? Why or why not?