
THE OVEREXTENDED SOCIETY
A Troubled Economy
Blue-Collar Blues
Sunbelt/Snowbelt Communities
"Lean Years" Presidents: Ford and Carter

COMMUNITIES AND POLITICS
The New Urban Politics
The City and the Neighborhood
The Endangered Environment
Small-Town America

THE NEW CONSERVATISM
The New Right
Anti-ERA, Antiabortion
“The Me Decade”

ADJUSTING TO A NEW WORLD
A Thaw in the Cold War
Foreign Policy and “Moral Principles”
(Mis)Handling the Unexpected
The Iran Hostage Crisis
Carter's "Crisis of Confidence"

REAGAN REVOLUTION
The Great Communicator
Reaganomics
The Election of 1984
Recession, Recovery, Fiscal Crisis

BEST OF TIMES, WORST OF TIMES
Celebration of Wealth
A Two-Tiered Society
The Feminization of Poverty
Epidemics: Drugs, AIDS, Homelessness

REAGAN’S FOREIGN POLICY
The Evil Empire
The Reagan Doctrine and Central America
Glasnost and Arms Control
Iran-Contra Scandal

CONCLUSION

KEY TOPICS
*Structural shifts in the economy
*The Ford and Carter presidencies
*Crisis in the cities and the environment
*Community politics and the rise of the New Right
*Iran hostage crisis
*The Reagan Republican presidential victory
* Reagan's domestic and foreign policies
* The growth of inequality

**AMERICAN COMMUNITIES: GRASS ROOTS CONSERVATISM IN ORANGE COUNTY, CALIFORNIA** In 1962, after listening to a talk about liberalism and conservatism, Garden Grove resident Bee Gathright discovered she was a conservative. Gathright and her husband Neil soon joined the California Republican Assemble and were active in Barry Goldwater's 1964 presidential campaign. In the 1960s and 1970s, Orange County had thousands of "kitchen table" activists like the Gathrights who began transforming American conservatism and American politics leading to the election of Ronald Reagan as president. Conservative rhetoric shed its extremist message by stressing less government and family issue. Evangelical religion also played a role. The vignette illustrates how the changes of the postwar era rekindled traditional beliefs that were politically developed on a grass-roots level.

**THE OVEREXTENDED SOCIETY** High prices and a stagnant economy led Americans to question their faith in progress and prosperity. Dependence on imported oil had steadily grown. When the U.S. backed Israel during the 1973 Yom Kippur War, the Arab states that controlled OPEC pushed through an embargo leading to skyrocketing prices and public suspicion that someone was profiting at their expense. President Nixon ordered conservation measures. Soaring energy prices led to rapid, sustained inflation. At the same time, the worst economic decline since the Great Depression began. American industries like steel and auto making were facing stiff competition and declining market shares. Automakers were importing parts produced overseas, but American productivity and quality continued to decline. Despite increased foreign demand for crops, soaring energy costs hurt farmers now forced to borrow money at high interest rates.

Outside of the public sector, the number of unionized workers steadily declined. The number of wage-earning women increased, though their income, relative to men, declined. Black women, especially in the North, earned nearly as much as white women, though Hispanic women tended to be confined to the lowest wage sectors. The economic slump of the 1970s was most pronounced in the Midwest and Northeast in contrast to what became known as the Sunbelt. Large-scale migration fueled Sunbelt population growth. Air conditioning, water diversion, and other improvements turned deserts into suburbs. The burgeoning computer industry and defense contracts helped Sunbelt communities weather the recession. Sunbelt prosperity was not evenly spread and a two-tier class society developed. Snowbelt cities like Philadelphia and New York lost tremendous numbers of manufacturing jobs and thus faced vast declines in their tax bases. The result was urban decay.

Gerald Ford succeeded to the presidency following Richard Nixon’s resignation. After pardoning Nixon, he lost the nation’s trust. He also lacked a clear program and did little beyond trying to hold down spending by vetoing numerous bills, many of which Congress passed over his veto. He narrowly defeated Ronald Reagan for the Republican presidential nomination. Democrats turned to one-term Georgia Governor Jimmy Carter. Carter narrowly defeated Ford, building on his moderate image, his outsider status, and his pledge to restore trust. Carter seemed to lack a clear sense of direction. He was unable to get his legislation through Congress and seemed uninterested in the give and take required of dealing with legislatures. Although he made some
liberal steps, by and large he supported conservative policies like deregulation and increased military spending. Inflation and interest rates soared leading many to conclude that Carter could not turn the economy around.

COMMUNITIES AND POLITICS Political mobilization during the 1970s frequently focused on community issues that cut across ideological lines. College students along with African Americans and other minorities mobilized and won power in numerous communities. Several major cities elected black mayors. The fiscal crisis of the 1970s frequently foiled their plans for reforms. Community groups tried to empower their members to take control over a wide range of issues. By the end of the 1970s, 700 community-based economic development groups were infusing capital into neighborhoods. All too often, however, after activists had restored a neighborhood, gentrification soon followed.

The Three Mile Island incident and the linking of cancer at Love Canal to toxic wastes raised American worries over pollution. The roots of the movement dated back to the works of Rachel Carson in the early 1960s. Twenty million Americans participated in the first Earth Day observance. Some expressed their concern by modifying their ways of living by recycling or eating less beef and more organic foods. Growing interest in the newly popularized concept of ecology led Americans to lobby for renewable energy sources, protecting endangered species, reducing pollution, etc. Despite public outcries, government officials frequently responded to other pressures. A growing number of Americans were leaving metropolitan areas for small towns. Suburbs and shopping malls sprang up in small towns, frustrating established local merchants who had looked for an economic boom. Many communities organized to oppose further growth. Areas outside of the Sunbelt and away from cities suffered as family farms and other businesses failed.

THE NEW CONSERVATISM A variety of forces converged to turn back the Great Society. Although some of the energy came from conservative centers like the Heritage Foundation or from paramilitary groups, the biggest boom came from the religious conservatives. The New Right used marketing techniques and promoted its agenda through televangelists. New Right politicians like Jesse Helms were able to amass huge campaign chests to carry on their campaigns. The New Right successfully blocked ratification of the ERA and rallied support for efforts to make abortions illegal. Critics characterized the 1970s as a decade when Americans abandoned political change and focused on personal well being, a “culture of narcissism.” During the 1970s, a wide range of personal growth techniques flourished among the middle class. Religious cults grew as well. Popular music became either increasingly despairing and nihilistic, nostalgic, or decadent.

ADJUSTING TO A NEW WORLD Presidents Ford and Carter both exemplified a belief that American power had been declining and that there should be no more Vietnams. High levels of military spending had hurt the American ability to compete effectively with economic rivals. American diplomats sought a way to wind down the Cold War by getting the Soviets to agree to respect human rights and by negotiating arms control agreements. Jimmy Carter came to office having pledged to put human rights at the center of his objectives. Though speaking out about violations in some nations, he overlooked others in areas vital to United States interests. His greatest success came when he personally negotiated a peace agreement between Egypt and
Israel, though the agreement did not bring stability to the region. He achieved some success in reforming the CIA and returning the Canal Zone to Panama.

Carter received contradictory advice urging him to be both tough on and conciliatory towards the Soviets. His efforts in the Third World mixed of support for both authoritarian and revolutionary governments. In some cases, Congress blocked his efforts. He urged Americans to put aside their “inordinate fear of Communism,” but reacted strongly to a Soviet intervention in Afghanistan. His decision to allow the deposed Shah of Iran to enter the country for medical treatment backfired. Iranian students seized the American embassy and held its personnel hostage. He tried diplomacy and at the same time an ill-fated rescue operation. Both failed. In 1979, when it was clear his programs had not stimulated the economy, Carter claimed that the nation was experiencing a crisis of confidence. The plan backfired and voters lost respect for him. In foreign affairs, as the election of 1980 approached, he seemed washed up. An unenthusiastic Democratic convention endorsed him. The Republicans nominated Ronald Reagan best known for his promotion of conservative causes. Reagan asked voters “are you better off now than you were four years ago?” Reagan won 50.9 percent of the vote but an overwhelming majority in the Electoral College.

THE REAGAN REVOLUTION Ronald Reagan tried to reshape the political landscape of the nation. After a successful film career mainly in “B” movies, Reagan’s entrance into politics came first through the Screen Actors Guild and then delivering General Electric’s political message. He became a national figure speaking on behalf of Barry Goldwater’s 1964 conservative presidential bid. He was elected governor of California in 1966, cut welfare, limited the number of state employees, and attacked student protesters and black militants. He lost a bid for the Republican nomination in 1976 but with a likable campaign style, exploited Jimmy Carter’s weaknesses and won in 1980. Reagan pushed through a program to stimulate the economy by government deregulation and cutting taxes, particularly for the wealthy. He cut spending on social and cultural programs, promoted an aggressive policy of business deregulation, and weakened organized labor. He appointed conservatives to head agencies like EPA that abolished or weakened rules protecting the environment and workplace safety. He reduced government regulations that had prevented mergers and supervised the banking industry. Reagan called for a massive military buildup. Human resource spending declined while defense spending jumped.

In the 1984 election, Walter Mondale won the Democratic nomination by concentrating on the traditional Democratic constituencies. Reagan countered Mondale’s criticisms by claiming that the nation was strong, united, and prosperous and won in one of history’s biggest landslides. A severe recession gripped the economy during the early 1980s. By the mid-1980s the economy grew and inflation was under control. Critics explained the growth as the result of military spending that pumped in hundreds of billions of dollars. The economic recovery was unevenly spread. Most new jobs did not pay enough to support a family. Enormous budget deficits grew to an unprecedented $2 trillion. To finance its debt, the government borrowed heavily from foreign investors as the United States became the world’s leading debtor. The fiscal crisis was made worse by scandals in securities industry. Speculators and corporate raiders engaged in illegal activities that often had ruinous consequences for the investors. In 1987, the stock market crashed ending the bull market of the 1980s.
BEST OF TIMES, WORST OF TIMES While the 1980s celebrated wealth and moneymaking, the gap between rich and poor widened. The middle class also declined. The wealthiest individuals saw rapid gains in income and wealth. Meanwhile, average weekly earnings declined; half the new jobs did not pay enough to keep a family out of poverty. Race sharply defined the gap between rich and poor. Women also experienced declining earning power.

The 1980s saw new epidemics erupt. Drug use soared among Yuppie cocaine snorters and impoverished crack smokers, unleashing a crime wave. The Reagan administration declared a war on drugs, but concentrated its resources on the overseas supply and did little to control demand at home. In 1981, doctors identified a puzzling disease, initially found among gay men—AIDS. The Reagan administration played to anti-homosexual prejudices and largely ignored the problem. By the end of the 1980s the AIDS epidemic had spread well beyond gay men, and some progress had been made in treating it. An epidemic of homelessness grew during the decade, one third of whom were mental patients discharged from psychiatric hospitals. But many were families with no place to go.

REAGAN’S FOREIGN POLICY Reagan made anti-Communism the centerpiece of his foreign policy, calling the Soviet Union an “evil empire.” Despite American superiority, Reagan pushed to enlarge the nuclear strike force. He called for a space-based “Star Wars” missile defense system that many saw as an effort to achieve a first-strike capability. Attempts at meaningful arms control stalled. Reagan concentrated much of his anti-Communist activity in Central America, as part of his Reagan Doctrine. He pushed a “Caribbean Basin Initiative” which was supposed to stimulate economic growth, but only tied the region’s economy closer to American corporations. Reagan poured more military aid into Central America between 1980 and 1983 than in the previous 30 years. He intervened in Grenada, El Salvador, and waged a covert war against the revolutionary government of Nicaragua. Congress blocked funding for the Nicaraguan war but the National Security council secretly raised funds to finance it.

In 1985 Mikhail Gorbachev came to power in the Soviet Union and instituted a series of political and economic reforms. Under his glasnost and perestroika campaigns, Gorbachev took the lead in negotiating an end to the arms race to allow economic growth to take place. Treaties were finally worked out that called for destruction of some missiles and allowed for on-site inspections. Although the Soviet Union no longer posed the threat it once had seemed to pose, the Cold War mentality did not disappear. Middle East terrorism occupied considerable attention from the Reagan administration. In 1986, news broke of how the United States traded arms to Iran in return for their assistance in freeing hostages held by terrorist groups. The money from the arms sales was used to fund the Contras in Nicaragua. Oliver North, who ran the enterprise, acknowledged that he had told a web of lies and destroyed evidence, all in the name of patriotism. The commission investigating the episode concluded that Reagan had allowed a small, unsupervised group to run the operation. Unlike Nixon, Reagan repeatedly claimed to be trying to find out what had happened. Outgoing President George Bush, whose involvement had been the target of much speculation, pardoned several officials who were scheduled to be tried.

CONCLUSION The inability of presidential leadership to define a course of action placed more
emphasis on grass-roots efforts. The malaise about government machinations and the United States decline that spread across the nation in the 1970s was replaced by the confidence of the Reagan years.

Lecture Suggestions

1. Explain why stagflation hit in the mid-1970s. To do this one must explain how the United States became more dependent on overseas sources of energy and how the sudden rise in energy prices affected the economy. But note also that inflation had been running out of hand before the oil shock hit. Explain the impact of military spending (especially for Vietnam). Look also at de-industrialization as an example of how Americans allowed their basic industries to deteriorate.

2. One way to get a handle on the Carter presidency is to look at the relative lack of substance in his 1976 campaign. An analysis of the campaign shows that he played on American frustration with Watergate by promising to be honest. By not staking out either a liberal or conservative position in the campaign he could appear to be all things to all people. This may have been effective in a campaign, but was not an effective way to govern.

3. Make the connection between Reagan’s economic policies and the traditional New Deal approach. Most students don’t have a clear idea of how either one works. The New Deal—or “demand side” approach—emphasized stimulating the economy by government spending. This created jobs and in turn created demand, stimulating the economy. The Reagan or supply side approach gave tax cuts to wealthy investors who would in theory stimulate the economy by their investments. Then evaluate the success of Reagan’s program—did the tax cuts provide the stimulation the plan assumed they would?

4. A lecture on Reagan’s foreign policy should start with the notion of the revived Cold War and rejection of Carter’s emphasis on human rights. Examine how Reagan’s anti-Communist crusade led towards greater involvement in the third world, especially in Central America. Evaluate how his anti-Communist rhetoric squared with the new realities that were emerging in late 1980s.

Discussion Questions

1. Why did the sudden increase in energy costs affect the American economy so severely? Could we have done anything to prevent it?

2. Why were people in the 1970s leaving the cities and moving to small towns? Why were they going to the “Sunbelt”? Do you think they found what they were looking for?

3. What led to the rise of what the text calls the “new conservatism?” Has it had a positive or negative impact on the country?
4. Carter is generally considered to have been a failure as president. What were the reasons he didn’t get re-elected? How could he have avoided the problems that brought him down?

5. What were the economic assumptions of the Reagan administration? Were they valid?

6. What were the foreign policy assumptions of the Reagan administration? Were they valid?

Out of Class Activity

Ask students to survey ten of their fellow students on their attitudes on various issues. Prepare a list of these attitudes and have students conduct research to see how their responses relate to conservative and liberal stances on the issues. The class could discuss where they fit in the political spectrum and why.

If You’re Going to Read One Book on the Subject


Audio-Visual Aids

“Focus on the Seventies: Science and Technology” Examines the energy crisis and concerns over the environment. (Color, 20 minutes, 1985)

“Focus on the Seventies: The Anxious Years” Looks at the Ford and Carter presidencies. (Color, 24 minutes, 1985)

“The International Economy” Looks at the impact of the oil crisis on the international economic system. (Color, 27 minutes, 1980)

The best source for audio-visual materials on contemporary events is the Frontline video series. Some of the better ones include:

“Assault on Affirmative Action” Looks at the difficult issue as it unfolded in the Memphis fire department. (Color, 60 minutes, 1986)

“New Harvest, Old Shame” Examines the horrifying conditions of migrant farm workers. (Color, 60 minutes, 1990)

“War on Nicaragua” Examines how American foreign policy was made with regard to Nicaragua. (Color, 60 minutes, 1987)