In October 1985 *Forbes* business magazine hailed “the richest man in America,” Sam Walton of Arkansas, founder of the Wal-Mart Corporation, one of the discount chains that transformed U.S. mass marketing after 1960. Estimating his wealth at “$20 or $25 billion,” he lived modestly, sported a Wal-Mart baseball cap, and got his haircuts at the local barbershop.

Born in Oklahoma in 1918, Walton grew up in Missouri. While his father, a mortgage agent, repossessed farms during the Great Depression, young Sam sold magazine subscriptions door-to-door. In 1945, after serving in World War II and marrying Helen Robson, he became the manager of a Ben Franklin variety store in Newport, Arkansas. Sam and Helen opened their own Walton’s Five and Dime in Bentonville, Arkansas, in 1950 and a second one in nearby Fayetteville two years later. Walton tirelessly searched out bargain-priced merchandise that he sold at a small markup. As the Fayetteville store manager recalled, “Sam used to come down... driving an old fifty-three Plymouth. He had that car so loaded up he barely had room to drive. And would you like to guess what he had in it? Ladies’ panties. Three for $1.00 and four for $1.00 and nylon hose.”

By the later 1960s Wal-Mart stores dotted Arkansas, Oklahoma, Missouri, and beyond. “We just started repeating what worked, stamping out stores cookie-cutter style,” Walton recalled. Together with other chains, including Target, Woolco, and K-Mart, Walton pioneered discount selling. As inflation
eroded consumer buying power in the 1970s, Wal-Mart with its rock-bottom prices prospered. Walton also created a unique corporate culture that included promotional gimmicks such as “shopping cart bingo” and employee rallies punctuated by cheers and company songs. Thanks to successive stock splits, one hundred shares of Wal-Mart stock purchased for $1,650 in 1970 were worth about $11.5 million by 2002.

Walton had critics. Labor organizers attacked his anti-union policies. Small-town merchants battered by Wal-Mart’s price-slashing complained bitterly. Responded Walton, “[Their] customers were the ones who shut [them] down. They voted with their feet... Wal-Mart has actually [saved] quite a number of small towns... by offering low prices [and]... by creating hundreds of thousands of jobs.”

On March 17, 1992, shortly before Walton’s death of bone cancer, President George Bush awarded him the Medal of Freedom. Said Bush, “Sam Walton embodies the entrepreneurial spirit and epitomizes the American dream.” By 2002, with 1.3 million employees and nearly six thousand Wal-Marts, Sam’s Clubs, and Super Centers worldwide, Wal-Mart Corporation boasted annual sales of more than $220 billion and was the world’s largest retailer of general merchandise.

Wal-Mart extended trends that had long been underway: the rise of great corporations; marketing innovations from department stores to shopping malls; the spread of a national consumer culture through the mass distribution of standardized goods. Wal-Mart also contributed to changes that transformed the U.S. economy in the 1970s and 1980s. The service sector grew rapidly as discount stores, fast-food outlets, and high-tech industries expanded and prospered. Other sectors of the economy, including family farms, the inner cities, and the factories of the old industrial heartland, did not fare as well. Sam Walton may have lived the American Dream, but that dream proved elusive for many Americans.

This chapter, covering the years from Nixon’s resignation in 1974 to the end of Ronald Reagan’s presidency in 1989, is structured around two key themes. The first is the sustained impact of the 1960s on U.S. culture and politics. On one hand, the activist, radical spirit of the sixties continued to influence the environmental movement, the women’s movement, and changing sexual norms. On the other hand, these years also saw a reaction against the 1960s, expressed both in a retreat from public concerns to private pursuits and in a sharp conservative backlash.

These years also brought important social changes affecting middle-class women, farmers, African Americans, Native Americans, and the growing ranks of Hispanic and Asian immigrants. All Americans coped with an unsettled economy marked by inflation, recessions, boom times, and soaring budget deficits.

The second theme, which emerges as the chapter progresses, is the continuing importance of events abroad. Although many citizens turned inward after Vietnam, the outside world remained inescapable. As Americans of the 1970s faced rising gasoline prices, long lines at gas stations, and soaring inflation—all linked to economic decisions made in distant capitals—they realized that however much they might wish otherwise, they could not turn their backs on the world. Worsening Cold War tensions in the late 1970s and early 1980s, Middle East crises, and deadly terrorist attacks underscored the fact that America’s future could not be separated from unfolding world events.

This chapter focuses on five major questions:

■ How were the cultural climate and social activism of 1974–1989 influenced by the 1960s?
■ What social developments most affected farmers, middle-class women, African Americans, and Native Americans in these years, and how did patterns of immigration change?
■ What core beliefs shaped Ronald Reagan’s political ideology, and what steps did his administration take to translate this ideology into practice?
■ How did U.S.-Soviet relations evolve from the late 1970s through 1988?
■ In what respects did the international situation improve during these years, from the U.S. perspective, and in what ways did it grow more threatening?
Social and cultural trends of the 1970s and 1980s reflected both the afterglow of 1960s activism and a reaction against that decade. While many young people turned away from public issues to pursue personal goals, some social trends and causes rooted in the 1960s survived and even gained momentum. A backlash against the sixties, as well as the sobering effects of the AIDS epidemic, also shaped the culture of these years. Radicals of the 1960s had celebrated sexual freedom and alternative lifestyles, and feminists had demanded reproductive choice, but the years after 1970 brought a conservative reaction and fierce debates over abortion, homosexuality, and other issues. The pace of change also led to a quest for moral certitude and a revival of religion.

The Post-1960s Mood: Personal Preoccupations; New Activist Energies

The Vietnam War shattered the liberal consensus, and the New Left coalition that protested the war soon fragmented as well, creating a vacuum of political leadership on the Left. The Watergate crisis, in turn, temporarily disoriented conservatives. With politics in disarray, personal preoccupations beckoned. With politics in disarray, personal preoccupations beckoned. To replace the long-haired, pot-smoking “campus radical” of the 1960s, journalists created a new stereotype, the “Yuppie” (young urban professional), preoccupied with physical fitness and consumer goods.

The stereotype had a basis in fact. Physical well-being became a middle-class obsession. Yuppies jogged and exercised, ate natural foods free of pesticides and additives, and stopped smoking when medical evidence linked cigarettes to lung cancer and heart disease. Meditation techniques won devoted followers. Reversing the middle-class flight to the suburbs, yuppies purchased and restored rundown inner-city apartments. This process, known as gentrification, often had the effect of pushing out poorer and elderly residents.

Innovations in consumer electronics shaped the era as well. By the early 1990s, 70 percent of U.S. households had VCRs (videocassette recorders), enabling users to tape TV shows for later viewing and to rent movies on cassette. As entertainment became privatized, families stayed home with the VCR instead of going to the movies. In the music field, the compact disc (CD), in which laser beams “read” millions of dots molded into concentric circles on the disk, offered remarkably high-quality sound. In a development of great future significance, the late 1970s also saw the advent of the personal computer (see Technology and Culture: The Personal Computer).

American life in these years was not all escapism and technological novelties. The protest mood of the 1960s survived. In sharp contrast to disco were the raw working-class songs of Bruce Springsteen of Asbury Park, New Jersey. His Darkness at the Edge of Town (1978) and Born in the USA (1984) evoked the stresses of blue-collar life and offered a bleak view of widening class divisions in post-Vietnam, post-Watergate America. Born in the USA tells of a young man “sent... off to a foreign land to go and kill the yellow man” who now finds himself “in the shadow of the penitentiary” with “[n]owhere to run... nowhere to go.” Bob Dylan, best-known for his 1960s protest songs, produced some of his best work in the 1970s. His 1974 album Blood on the Tracks expressed distrust of authority and the difficulty of personal relationships while celebrating outlaws and outsiders who defied the established order.

Along with escapist fare, directors also produced some brilliant films exploring the darker side of American life in the 1970s. Robert Altman’s Nashville (1975) offered a disturbing vision of cynical mass-culture producers, manipulative politicians, and lonely, alienated drifters. Roman Polanski’s Chinatown (1974) probed the personal and political corruption beneath the sunny surface of Southern California life. Such work, too, is part of the cultural legacy of the decade.

**The Environmental Movement**

**Gains Support**

A legacy of the 1960s that grew stronger in the 1970s was the movement to protect the environment against the effects of heedless exploitation. This movement built upon a decade of activism triggered by Rachel Carson’s *Silent Spring* of 1962 and including the environmental laws of the 1960s and the inauguration of Earth Day in 1970 (see Chapters 27 and 29).

The heightened environmental consciousness found many outlets. Established groups such as the Sierra Club as well as new organizations won fresh recruits. One of the new organizations, Greenpeace, was founded in 1971 when Canadian activists protested a planned U.S. nuclear test at Amchitka Island in the Bering Sea. The U.S. branch, established soon after, addressed a range of environmental issues, including the preservation of old-growth forests and protection of the world’s oceans. By 2000 Greenpeace had 250,000 U.S. members and 2.5 million members worldwide. The Save the Whales campaign, launched by the Animal Welfare Institute in 1971, mobilized opposition to the killing of the world’s largest mammals by fleets of floating processing factories to provide dog and cat food for pet owners.

In the later 1970s environmentalists targeted the nuclear-power industry. Reviving protest techniques first used in the civil-rights and antiwar campaigns, activists across America staged rallies at planned nuclear-power plants. The movement crested in 1979 when a partial meltdown crippled the Three Mile Island nuclear-power plant in Pennsylvania. A movie released at the same time, *China Syndrome*, graphically portrayed a fictitious but plausible nuclear-power disaster caused by a California earthquake. *China Syndrome* starred Jane Fonda, an antiwar leader of the 1960s, underscoring both the continuities and the changes of focus in the activism of the two decades.

**The Women’s Movement: Gains and Uncertainties**

Of the many legacies of the 1960s, the revitalized women’s movement (see Chapter 28) had a particularly lasting effect. As middle-class young women had found themselves marginalized in the civil-rights and antiwar movements, many had begun to examine their own status in society. The National Organization for Women (NOW), founded in 1966, boasted nearly fifty thousand members by 1975. Feminist support groups and Gloria Steinem’s *Ms.* magazine (launched in 1972) spread the message. The movement, however, remained mainly white and middle class.

With the movement’s growth came political clout. The National Women’s Political Caucus (1971) promoted a feminist agenda. By 1972 many states had liberalized their abortion laws and outlawed gender discrimination in hiring. That same year Congress passed an equal rights amendment (ERA) to the Constitution barring discrimination on the basis of sex. When twenty-eight states quickly ratified it, ultimate adoption seemed assured.

In the landmark case *Roe v. Wade* (1973), the Supreme Court proclaimed women’s constitutional right to abor-
tion by a 7 to 2 vote. The decision gave women broad abortion rights in the first trimester of pregnancy, in consultation with a physician, while granting states more regulatory authority as the pregnancy progressed. The majority decision, written by Justice Harry Blackmun, relied heavily on the right to privacy grounded in the Fourteenth Amendment’s due-process clause. In the wake of Roe v. Wade, the number of abortions rose from about 750,000 in 1973 to more than 1.5 million in 1980 and then leveled off.

The women’s movement splintered in the late 1970s, as Betty Friedan and other moderates opposed the lesbians who were becoming increasingly assertive (see below). The moderates also deplored the strident rhetoric of some radical feminists and criticized their tendency to downgrade the family while celebrating female autonomy and careerist goals. In The Second Stage (1981), Friedan urged feminists to add family-protection issues to their agenda.

While feminist leaders struggled to define the movement, the realities of many women’s lives changed dramatically. The proportion of women working outside the home leaped from 35 percent in 1960 to nearly 60 percent in 1992 (see Figure 30.1). Not only feminist ideology but also the soaring cost of living encouraged this trend, as many families found they could not manage on a single income.

Despite the gains, working women’s earnings still lagged behind those of men, and the workplace remained largely gender segregated. Women were still concentrated in such fields as nursing, teaching, sales, and secretarial work, while men dominated management positions and the professions. But even this was changing as more women entered the ranks of management. (Top management remained a male preserve, however, a phenomenon known as the “glass ceiling.”) Even in medicine and the law, change was in the air. By the early 1990s the legal and medical professions were nearly 20 percent female, while the growing ranks of female medical students and law students promised even more dramatic changes in the future.
Computer technology dated from World War II; by 1970 giant IBM mainframe computers were well-known (see Chapter 27). The size and cost of these computers made them practical only for big corporations or government agencies such as the Pentagon and the Census Bureau. Even the smaller minicomputers built by Seattle’s Digital Equipment Corporation (DEC) were far too bulky and expensive for individual use.

An exciting new entrant, the personal computer, loomed on the horizon. With the development of silicon-chip transistors and integrated circuits in the late 1950s, the data that could be implanted in a single chip increased enormously. “Moore’s Law,” proclaimed in 1965 by Gordon Moore, founder of Intel, a computer-chip manufacturer, held that silicon chips’ capacity would double every eighteen months. The prediction proved remarkably accurate. With silicon chips, computers could be miniaturized and still match the mainframes’ capacity.

Unlike the inventions that had once emerged from Thomas Edison’s New Jersey laboratory, the personal computer did not spring from a single research project, but rather from many young hobbyists working at home and hovering around the margins of the industry. In the late 1960s, for example, Seattle high-school students Bill Gates and Paul Allen biked daily to the offices of DEC, where company officials let them tinker with computers in exchange for finding flaws (or “bugs”) in the instructional programs (called software) that enabled DEC’s computers to perform useful functions. “We were called computer nerds,” Gates recalled. “Anyone who spends their life on a computer is pretty unusual.” In 1972 Gates and Allen, still teenagers, formed Traf-O-Data, a programming company.

Meanwhile, the actual machinery, or hardware, of small computers evolved rapidly. In 1974 a struggling Albuquerque electronics company, Micro Instrumentation Telemetry Systems (MITS), developed a $397 do-it-yourself Altair computer kit using Intel chips. (The name Altair came from the TV show Star Trek.) When Popular Electronics magazine featured the Altair on its January 1975 cover, orders poured in.

The Altair appealed mainly to hobbyists. It had limited memory and primitive programming, and it was awkward to use, with levers rather than a keyboard. For home computers to be practical, better software was essential. Paul Allen, now working in Massachusetts, and Bill Gates, a Harvard freshman, volunteered to solve that problem. The Popular Electronics article caught their notice, and they offered to provide an operating system for the Altair by modifying BASIC, a program developed at Dartmouth College in 1964. MITS accepted, and Allen and Gates, changing their company name to Microsoft, moved to Albuquerque. MITS soon collapsed, and the Altair vanished, but the personal-computer era was underway.

Early home-computer enthusiasts valued cooperation and a casual, counterculture lifestyle. As one later recalled, “[We had our] genetic coding in the 60s, in the anti-establishment, anti-war, pro-freedom, anti-discipline attitudes.” Groups of hobbyists such as the Homebrew Computer Club of San Francisco and New Jersey’s Amateur Computer Group freely shared ideas, hardware, and software. In Cupertino, California, working in a garage, young Stephen Wozniak and Steven Jobs assembled a prototype small computer and soon began selling handmade models to friends.

As the personal computer’s commercial potential became clear, this laid-back, cooperative attitude gave way to a competitive, proprietary business ethic. As early as 1976 Bill Gates, having reached the ripe old age of twenty-one, published “An Open Letter to Hobbyists,” criticizing the free sharing (or “piracy”) of software.

In 1976 Wozniak and Jobs began to sell their computers, called the Apple I, through the Byte Shop, a Bay Area computer store. The Apple II followed in 1977. The initial price of $666.66 soon dropped to $475. By 1980 sales hit $118 million. New marketing outlets quickly sprang up. The first ComputerShack opened in New Jersey in 1977. Radio Shack, Computerland, and other chains soon followed.

In the late 1970s IBM engineers working in Boca Raton, Florida, developed IBM’s version of a personal computer. The IBM-PC hit the market in 1981. Priced at $1,565 it was far more expensive than the Apple II, but it bore the prestigious IBM name and boasted state-of-the-art hardware and Microsoft software.
Whether users chose Apple or IBM-PC, personal computers had an enormous cultural and economic impact. The sizzling industry fueled an economic boom that began in the mid-1980s and roared on into the 1990s. Youthful founders of start-up companies in “Silicon Valley” (a region south of San Francisco) amassed fortunes as investors bid up the prices of new stock offerings. (When recession hit in 2000, some of those fortunes evaporated.)

Bulky calculators, adding machines, and typewriters—the cutting-edge information technologies of earlier eras—gathered dust as people shifted to computer-based systems of data management, record-keeping, and word-processing. Popular in the home, personal computers also transformed office routines in businesses, hospitals, churches, and educational institutions. Secretaries who had spent their time filing, typing letters, and entering payroll and account records in ledger books now learned new computer-based skills. School typing classes gave way to computer instruction; library card catalogs to computerized databases. Library patrons were as likely to sit at a computer as to browse bookshelves. Computer games transformed juvenile leisure-time activities.

The possibilities seemed endless. “[If you’re...thinking of buying [a personal computer],” proclaimed an industry publication in 1985, “you are only a few steps away from entering an expanding universe of incredible size and power.” Further innovations came in the late 1980s and the 1990s: vastly enhanced memory capacity; ever-smaller laptop and hand-held models; microcomputers to control operating systems in automobiles and appliances; e-mail; and the Internet. The explosive growth of the Internet and the World Wide Web revolutionized the retrieval and transmission of information.

By 2000, 60 percent of U.S. homes had personal computers. Some cultural commentators worried about this fast-growing new technology. Would hours on the Internet cut users off from human contact? Would video games isolate the young from social interaction and blur the distinction between the real and the virtual? Others noted class differences in access to personal computers, as ownership spread much more slowly among blue-collar families and inner-city minorities than among the more educated and well-to-do.

Nevertheless, the personal computer was clearly here to stay. Only the future would reveal the full dimensions of the technological revolution launched in the 1970s by a handful of teenaged “computer nerds.”

Focus Questions
- What key technological developments made the personal computer possible?
- What were the most important cultural and social effects of the spread of personal computers?
These changes had broad social effects. As women delayed marriage to pursue higher education or careers, their median age at first marriage rose from twenty in 1960 to twenty-four in 1990. The birthrate fell as well (see Figure 30.2). By 1980 the statistically average U.S. family had 1.6 children, far below the figure in earlier times. Conservatives worried that women’s changing roles would weaken the family. Working women themselves conceded the stresses of balancing career and family, but few were prepared to return to the era when “women’s sphere” had consisted exclusively of child care, housework, and good works. As the 1980s ended, feminists could take satisfaction in many gains achieved. But major challenges still loomed and complex issues remained unresolved.

Changing Patterns of Sexual Behavior; the Looming Specter of AIDS

The long shadow of the 1960s was evident, too, in the realm of sexual behavior. The 1960s counterculture had challenged the prevailing sexual code, and the loosening of old taboos that resulted had long-lasting effects. In 1960 about 30 percent of unwed nineteen-year-old U.S. women had sexual experience. By 1980 more than half did, and the figure soared still higher by 2000. The number of unmarried couples living together jumped from 523,000 in 1970 to 3.5 million by 1993. This trend, too, accelerated as the twentieth century wore on.

Many gay men and lesbians “came out of the closet” in the 1970s and openly avowed their sexual preference. As we saw in Chapter 29, the 1969 Stonewall riot, when patrons at a gay club in Greenwich Village fought back against a police raid, launched an era in which homosexuals became more vocal in asserting their presence and demanding equal rights. This movement continued in the later 1970s and beyond, in a wave of rallies, parades, and protests against job discrimination and harassment. In 1977 “Gay Pride” parades drew seventy-five thousand marchers in New York City and three hundred thousand in San Francisco, a center of gay activism. Two years later the first national gay and lesbian civil-rights parade attracted one hundred thousand to Washington, D.C. Exclaimed one participant later, “It was such a feeling of power, like the storming of the Bastille.”

In 1974 Elaine Noble, an avowed lesbian, won a seat in the Massachusetts legislature. Harvey Milk, a proudly gay candidate, was elected to the San Francisco board of supervisors in 1977. In 1987 Massachusetts Congressman Barney Frank acknowledged his homosexuality. Organizations like the National Gay Task Force, founded in 1973 and later renamed the National Gay and Lesbian Task Force, and a militant New York group called ACT-UP (1987) demanded the repeal of anti-gay laws and passage of legislation protecting the civil rights of homosexuals. Responding to the pressure, many states and cities repealed laws against same-sex relations between consenting adults. Like other reforms of these years, this movement was mainly white and middle class, though black gay and lesbian organizations emerged as well.

The freer attitude toward sex received a setback with the spread of sexually transmitted diseases (STDs), especially the deadly viral infection AIDS (acquired immune deficiency syndrome), first diagnosed in 1981. At first, AIDS spread mainly among sexually active homosexuals and bisexuals, intravenous drug users sharing needles, and persons having sexual intercourse with members of these high-risk groups. (Early in the epidemic some persons, including tennis star Arthur Ashe, contracted AIDS through blood transfusions.) Though the worst of the epidemic still lay ahead, more than thirty-one thousand Americans had died of AIDS by the end of the 1980s.

Medical authorities warned against unprotected sex. The message was driven home when basketball super-
star Earvin ("Magic") Johnson and Olympic diver Greg Louganis announced that they carried the HIV virus, a precursor of AIDS. While the AIDS epidemic emboldened some Americans to express their hatred of homosexuality (see below), it also stimulated medical research and an outpouring of concern. Hospices cared for sufferers, and a large AIDS quilt honoring victims toured the nation. Under the shadow of AIDS and other STDs, many Americans grew more cautious in their sexual behavior. The exuberant slogan of the 1960s, "Make Love, Not War," gave way to the more somber message of "Safer Sex."

**Conservative Backlash and Evangelical Renaissance**

As we saw in Chapter 29, another legacy of the 1960s was a conservative reaction. An early target was *Roe v. Wade*. In the wake of the Supreme Court's legalization of abortion, a "Right to Life" movement led by Roman Catholic and conservative Protestant groups pressed for a constitutional amendment outlawing abortion. This practice, they charged, undermined respect for human life; it was "the murder of the unborn." "Pro-life" advocates held rallies, signed petitions, and picketed abortion clinics and pregnancy-counseling centers.

Responding to the pressure, Congress in 1976 cut off Medicaid funding for most abortions, in effect denying this procedure to the poor. Most feminists adopted a "pro-choice" stance, arguing that reproductive decisions should be made by women and their physicians, not by the government. Opinion polls reflected deep divisions, although a majority favored the "pro-choice" position.

The women's movement, too, faced an antifeminist backlash. In 1972 President Nixon vetoed a bill setting up a national network of day-care centers, criticizing its "communal approach to child-rearing." The ERA amendment died in 1982, three states short of the three-fourths required for ratification.

The gay and lesbian movement particularly inflamed conservatives, who saw it as evidence of society's moral collapse. TV evangelist Jerry Falwell thundered, "God... destroyed the cities of Sodom and Gomorrah because of this terrible sin." In 1977 singer Anita Bryant led a campaign against a recently passed Miami ordinance protecting the civil rights of homosexuals. "God created Adam and Eve, not Adam and Bruce," she pointed out. Thanks in large part to Bryant's efforts, Miami voters repealed the ordinance by a two-to-one margin.

Soon after, readers of *Good Housekeeping* magazine voted Bryant "the most admired woman in America." Other cities, too, reversed earlier measures in favor of gay rights.

In 1978, as the backlash intensified, a conservative member of the San Francisco board of supervisors, Dan White, fatally shot gay board-member Harvey Milk and Milk's ally, Mayor George Moscone. "the city weeps"
headlined the *San Francisco Examiner*. When White got off with a light sentence (after claiming that junk food had affected his judgment), riots erupted in the city. In 1980 disco singer Donna Summer, highly popular in the gay community, announced that she had become a born-again Christian and speculated that AIDS had been “sent by God to punish homosexuals.”

Another manifestation of the conservative turn was a revival of religion and spiritual questing. Some young people joined the Reverend Sun Myung Moon’s Unification church or the International Society for Krishna Consciousness, whose shaved-head, saffron-robed followers added an exotic note in airports, city streets, and college campuses. More long-lasting was the rapid growth of evangelical Protestant denominations such as the Assemblies of God and the Southern Baptist Convention, which espoused strict morality, the Bible’s verbatim truth, and a “born-again” religious conversion.

Evangelical Christians had pursued social reform before the Civil War, including the abolition of slavery, and their modern-day successors also preached reform, but of a conservative variety. As one evangelical observed in 1985, “I always thought that churches should stay out of politics. Now it seems almost a sin not to get involved.” Jerry Falwell’s Moral Majority, founded in 1979 as a “pro-life, pro-family, pro-moral, and pro-America” crusade, channeled this activism into support for conservative candidates. While battling domestic evils such as abortion, homosexuality, and pornography, many evangelicals also embraced a fiercely militant anticommunism.

A network of Christian bookstores, radio stations, and TV evangelists fueled the revival. Along with Falwell’s *Old Time Gospel Hour*, popular broadcasts included Pat Robertson’s *700 Club*, Jim and Tammy Bakker’s *PTL* (Praise the Lord) program, and Jimmy Swaggart’s telecasts from Louisiana. Many of these shows aired on Robertson’s CBN (Christian Broadcasting Network). With their constant pleas for money, the televangelists repelled many Americans, but millions embraced their spiritual message. The so-called electronic church suffered after 1987 amid sexual and financial scandals, but the influence of evangelicism continued. In *The Culture of Disbelief* (1993), law professor Stephen J. Carter called on politicians and the media to cease “trivializing” religion and to recognize its importance for many Americans. In a world of change, evangelicals found certitude, reassurance, and a sense of community in their shared faith. In the process, they profoundly influenced late-twentieth-century American life.

**Patterns of Social Change in Post-1960s America**

While white, urban, middle-class Americans pursued the good life or embraced various reform causes, other groups grappled with urgent economic worries and struggled to move up the ladder. Family farmers became an endangered species amid the proliferation of giant agribusinesses. Although many African-Americans successfully pursued the academic and professional avenues opened by the civil-rights movement, others remained trapped in poverty. While Native Americans continued to face many hurdles, the 1970s brought brighter economic prospects and a new assertiveness in pursuing long-ignored treaty rights. New patterns of immigration, meanwhile, changed the nation’s ethnic and demographic profile, with profound implications for the future.

**Decline of the Family Farm**

The family farm, historically revered as the backbone of America, continued its long decline in these years. In 1960 about 6 percent of the U.S. labor force worked on farms; by 1994 the figure was 2.5 percent. The farm population was aging, as young people sought opportunities in the cities. The small-farm operators who still hung on often held second jobs to make ends meet.

Total farm production increased, however, thanks to factory farms and agribusinesses. The acreage of the average farm grew from 375 to 430 between 1970 and 1990, and farms of several thousand acres were not unusual. Big operators bought up failing farms, demolished the homes that had sheltered successive generations, and consolidated them into large-scale operations involving major capital investment and heavy-duty equipment. Mass-production factory farms dominated poultry and hog production. Although politicians paid lip service to the family farm, federal crop subsidy programs accelerated the process of consolidation, as they had since the 1930s.

While the family farm disappeared, movies, novels, and songs kept it vivid in the nation’s collective memory. In the 1985 film *The Trip to Bountiful*, an aging Texas woman, movingly played by Geraldine Page, living in a cramped city house with her son and his wife, pays a nostalgic final visit to her childhood farm home, only to find it abandoned and falling to ruin. In that same year, country singer Willie Nelson, combining nostalgia and show-
business savvy with a genuine desire to help small farmers, began a popular series of annual concerts he called “Farm Aid.” The first, in Champaign, Illinois, featured Nelson, Bob Dylan, Billy Joel, Roy Orbison, and other stars. By 1999 Farm Aid had contributed nearly $15 million to programs designed to help small farmers survive.

Like much else in the 1970s, the movement to recapture a vanishing rural past owed a debt to the 1960s. As the sixties ended, many members of the counterculture formed rural communes to escape the urban-corporate world and live in harmony with nature. As one commented, “We’re learning self-sufficiency and rediscovering old technologies . . . and we’re doing this, as much as possible, outside the existing structures.” Several thousand rural communes soon arose across America. Periodicals like The Whole Earth Catalog and The Mother Earth News provided guidance on organic farming and sold simple, hand-operated products for rural living.

The Two Worlds of Black America

The story of black America in these years is really two very different stories. On one hand, millions of blacks experienced significant upward mobility thanks to the doors opened by the civil-rights movement. In 1965 black students accounted for under 5 percent of college enrollments; by 1990 the figure had risen to 12 percent, as the proportion of black high-school graduates going on to college nearly matched that of whites. By 1990 some 46 percent of black workers held white-collar jobs. TV’s Cosby Show, a comedy of the later 1980s in which Bill Cosby played a doctor married to a lawyer, portrayed this upwardly mobile world.

Outside this world lay the inner-city slums, inhabited by perhaps a third of the black population. Here, up to half the young people never finished high school, and the jobless rate soared as high as 60 percent. Inflation, periodic recessions, growing demands for specialized skills, and economic changes that eliminated many of the unskilled jobs once held by the urban poor all wreaked havoc with the black underclass. Black factory workers suffered from job cuts in steel, automaking, and other industries.

Cocaine and other drugs pervaded the inner cities. Some black children recruited as lookouts for drug dealers became dealers themselves when they reached their early teens. With drugs came violence. In the 1980s a young black male was six times as likely to be murdered as a young white male. In Los Angeles two rival gangs, the Bloods and the Crips, accounted for more than four hundred killings in 1987. Warned Jewelle Taylor Gibbs of the University of California at Berkeley, “Young black males in America’s inner cities are an endangered species. . . . [the] rejects of our affluent society.”

In truth, drug abuse affected all social levels, including yuppies, sports and show-business celebrities, and young corporate executives. Despite the tough Comprehensive Drug Abuse Act of 1970, illegal-substance abuse was widespread and was even glorified in movies, songs, and rock concerts. But the devastating impact of drug use and drug trafficking on entire communities fell most heavily on the inner cities.

Unmarried women—mostly young and poor—accounted for nearly 60 percent of all black births in 1980, and the figure rose still higher thereafter. Scarcely beyond childhood themselves, many of these single mothers depended on welfare payments for survival. Buffeted by complex social and economic forces, the predominantly nonwhite inner-city populations posed a major social challenge. Caught in a cycle of dependence, they were at risk of becoming a permanent underclass, cut off from all hope of bettering their lot.

In one effort to improve conditions, governments extended “affirmative action” programs to groups previously discriminated against. Cities set aside a percentage of building contracts for minority businesses, for example. Some educational institutions reserved a certain number of slots for minority applicants. Such programs faced court challenges, however. In Bakke v. U.S.
(1978) the Supreme Court overthrew the affirmative-action plan of a California medical school. In 1989 the High Court invalidated a Richmond, Virginia, requirement that 30 percent of building contracts be awarded to minority businesses.

The conservative backlash affected African-Americans. The Reagan administration, distrusting government, opposed federal action to remedy past injustices. Reagan's appointees to the U.S. Civil Rights Commission, charged with enforcing civil-rights laws, shared his suspicion of federal activism. This governmental foot dragging complicated efforts to address the urgent problems of inner-city joblessness and social disorganization.

**Brightening Prospects for Native Americans**

Like other developments discussed in this chapter, the Native American experience in these years was shaped by events of the 1960s. Influenced by the decade's protest climate, members of the militant American Indian Movement (AIM) had occupied Alcatraz Island in San Francisco Bay; the Bureau of Indian Affairs in Washington; and, in 1973, a trading post at Wounded Knee, South Dakota, site of the 1890 Indian massacre by the U.S. Army. This militancy spurred yet another shift in federal policy. The Indian Self-Determination Act of 1974 granted tribes control of federal aid programs on the reservations and oversight of their own schools.

In the 1990 census, more than 1.7 million persons identified themselves as American Indians, in contrast to fewer than eight hundred thousand in 1970. This upsurge reflected not only natural increase and ethnic pride, but also economic advantages associated with tribal membership. Under a 1961 law permitting them to buy or develop land for commercial and industrial projects, tribes launched business ventures ranging from resorts to mining and logging operations. They licensed food-processing plants, electronics firms, and manufacturing enterprises on tribal lands, providing jobs and income. Tribes also opened gambling casinos, although some Native American leaders deplored the casinos as a threat to traditional Indian values.

Indian tribes also reasserted rights granted them in treaties that had long gathered dust in government archives. The Indian Claims Commission, a federal agency set up in 1946, worked overtime after 1970. In 1971 the Native peoples of Alaska won 40 million acres of land and nearly $1 billion in settlement of long-standing treaty claims. In 1980 the Sioux were awarded $107 million for South Dakota lands taken from them in violation of treaty agreements. The Penobscot Indians in Maine won claims based on a 1790 federal law. In 1988 the tiny Puyallup tribe of Washington State received $162 million in settlement of their claim that the city of Tacoma occupied land granted them by treaty in the 1850s. Among other projects, the Puyallups laid plans to restore salmon runs on the Puyallup River.

High jobless rates, alcoholism, and disease persisted on the reservations and among urbanized Indians. But the renewal of tribal life, new federal policies, and the courts' willingness to honor legally binding treaties clearly represented an advance. In the popular culture, movies such as *Little Big Man* (1970) and *Dances with Wolves* (1990), while idealizing Indians, represented an improvement over the grotesque stereotypes of earlier cowboy-and-Indian films.

**New Patterns of Immigration**

America's growth from 204 million people in 1970 to 275 million in 2000 reflected a steady influx of immigrants, both legal and illegal. Whereas most immigrants once came from Europe, some 45 percent of the late-twentieth-arrivals came from the Western Hemisphere and 30 percent from Asia. As in the past, economic need drew these newcomers. In oil-rich Mexico, for example, an oil price collapse in the 1980s worsened the nation's chronic poverty, spurring many to seek jobs in the north. But these immigrants, like their predecessors, faced continued hardships. In 1990 nearly 20 percent of Mexican-Americans and 30 percent of Puerto Ricans lived below the poverty line.

Despite adversity, Hispanic newcomers preserved their language and traditions, influencing U.S. culture in the process. In Los Angeles, with nearly a million Mexican-Americans, Spanish-language businesses, churches, newspapers, and radio stations proliferated. Large parts of Miami seemed wholly Hispanic (see Chapter 31, A Place in Time: Miami, Florida).

Estimates of the number of illegal aliens in the United States ranged as high as 12 million by the early 1990s. Working long hours with few legal protections, these migrants, mostly Mexicans and Haitians (as well as Puerto Ricans, who are U.S. citizens), sweated in the garment trades, cleaned houses, changed diapers, and labored in agricultural fields. Addressing the problem, the Immigration Reform and Control Act of 1986 outlawed the hiring of illegal aliens, strengthened border controls, and offered legal status to aliens who had lived in the United States for five years.
Immigration from Asia climbed as newcomers arrived from Korea, Vietnam, and the Philippines. Prizing education, many Asian immigrants moved up rapidly. The younger generation, torn between the new and the old, generally retained strong group loyalties while exploring larger opportunities. All these ethnic trends made contemporary America of the 1970s and 1980s a more diverse and vibrant place than it had been a generation earlier.

Years of Malaise: Post-Watergate Politics and Diplomacy, 1974–1980

The Vietnam debacle and the disastrous end of Richard Nixon’s presidency had a dispiriting effect on the nation’s political culture, as Gerald Ford and Jimmy Carter grappled with a tangle of domestic and foreign problems. As soaring oil prices led to inflation, unemployment, and recession, a sense of the limits of economic growth gripped many Americans. Globally, the later 1970s brought mostly humiliations, from the sorry end of the Vietnam War to Iran’s seizure of U.S. hostages. The stark polarities of the Cold War blurred as complex problems in Asia, the Middle East, Latin America, and Africa hinted at the kinds of issues the United States would face in the future.

The confident days of the 1950s and early 1960s, when a prosperous America had savored its role as the Free World’s leader, equal to any challenge, now seemed remote. A nation long convinced that it was immune to the historical forces that hedged in other societies seemed buffeted by forces beyond its control. Although the Vietnam failure encouraged isolationist tendencies, the events of the post-1970 era made it clear that America could not evade global involvement. By 1980 the accumulating frustration had generated a strong political revolt.


Gerald Ford took the presidential oath on August 9, 1974, following Richard Nixon’s forced resignation. A Michigan congressman who had been House minority leader before becoming vice president, Ford conveyed a
likeable decency, if little evidence of brilliance. After the trauma of Watergate, he inspired cautious hope. “Our long national nightmare is over,” he declared.

Ford’s period of grace soon ended, however, when he pardoned Richard Nixon for “any and all crimes” committed while in office, thus shielding him from prosecution for his Watergate role. Ford said he wanted to help heal the body politic, but many Americans reacted with outrage.

On domestic issues Ford proved more conservative than Nixon, vetoing a series of environmental, social-welfare, and public-interest measures, among them a 1974 freedom of information bill granting citizens greater access to government records. The Democratic Congress overrode most of these vetoes.

Economic problems triggered by events abroad occupied Ford’s attention. Beginning in 1973, oil prices shot up as a result of an Arab oil embargo (see Chapter 29) and price hikes by the Organization of Petroleum Exporting Countries (OPEC), a thirteen-nation consortium formed in 1960. The effect on the United States, heavily dependent on imported oil, was severe. The soaring cost of gasoline, heating oil, and other petroleum-based products worsened already-serious inflation. Consumer prices rose by 23 percent in 1974–1975. In October 1974 Ford unveiled a program of voluntary restraint dubbed “Whip Inflation Now” (WIN), but prices continued to zoom. When the Federal Reserve Board tried to cool the economy by raising interest rates, a severe recession resulted. Unemployment approached 11 percent by 1975. As tax receipts dropped, the federal deficit increased.

In a dramatic turnaround, Americans seriously tried to curb their energy consumption for the first time since World War II. As they stopped buying Detroit’s gas guzzlers, GM, Ford, and Chrysler laid off more than 225,000 workers. Smaller, fuel-efficient imports increased their market share from 17 to 33 percent in the 1970s. Congress set fuel-efficiency standards for automobiles in 1975 and imposed a national speed limit of fifty-five miles per hour.

The national morale suffered another blow in April 1975 when the South Vietnamese government fell, ending two decades of U.S. effort in Vietnam. The TV networks chronicled desperate helicopter evacuations from the roof of the U.S. embassy in Saigon (soon renamed Ho Chi Minh City) as North Vietnamese troops closed in. A few weeks later, when Cambodia seized a U.S. merchant ship, the Mayaguez, a frustrated Ford ordered a military rescue. This hasty show of force freed the thirty-nine Mayaguez crew members but cost the lives of forty-one U.S. servicemen.

As the nation entered the election year 1976—also the bicentennial of the Declaration of Independence—Americans found little reason for optimism.


Gerald Ford won the Republican nomination in 1976 despite a challenge from former California Governor Ronald Reagan. On the Democratic side, Jimmy Carter, a Georgia peanut grower and former governor, swept the primaries by stressing themes that appealed to post-Vietnam, post-Watergate America. He emphasized his status as a Washington outsider, pledged never to lie to the American people, and avowed his religious faith as a “born-again” Christian. As his running mate Carter chose Minnesota Senator Walter Mondale, a liberal Democrat.

Carter’s early lead eroded as voters sensed a certain vagueness in his program, but he won by a narrow margin. The vote broke sharply along class lines: the well-to-do went for Ford; the poor, overwhelmingly for Carter. The Georgian swept the South and received 90 percent of the black vote. While in the long run the conservative backlash against 1960s radicalism would help the Republicans, popular revulsion against Nixon and Watergate temporarily interrupted the Republican advance, providing an opening for the Carter-Mondale ticket.

Underscoring his outsider image, Carter rejected the trappings of what some in Nixon’s day had labeled “the imperial presidency.” On inauguration day, with his wife and daughter, he walked from the Capitol to the White House. In an echo of Franklin Roosevelt’s radio chats, he delivered some of his TV speeches wearing a sweater and seated by a fireplace. To broad public approval, he appointed a number of women and members of minority groups to federal judgeships.

Despite the populist symbolism and gestures of inclusiveness, Carter never framed a clear political philosophy. Liberals and conservatives both claimed him. Intensely private, he relied on young staff members from Georgia and avoided socializing with politicians. “Carter couldn’t get the Pledge of Allegiance through Congress,” groused one legislator. An intellectual who had worked as a nuclear-submarine engineer after graduating from the U.S. Naval Academy, Carter was at his best when focused on specific problems. His larger political vision, if any, remained unclear. He fought the recession with a tax cut and a modest public-works program, and the unemployment rate dropped to around 5 percent by late 1978. But he sensed the nation’s lack of sympathy for
large-scale government initiatives, and offered few proposals to deal with inner-city poverty, the family-farm crisis, the plight of unemployed industrial workers, and other major social problems.

Environmental issues did loom large for Carter, however, just as they did for many Americans. In 1980, in a major victory for environmentalists and for the administration, Congress passed the Alaska Lands Act, which set aside more than 100 million acres of public land in Alaska for parks, wildlife refuges, recreational areas, and national forests, and added twenty-six rivers to the nation's Wild and Scenic River System. Energy companies eager to exploit Alaska's oilfields were deeply unhappy, and laid plans to renew the battle at a later time.

A major environmental crisis during Carter's presidency erupted in Niagara Falls, New York, where for years the Hooker Chemical and Plastics Corporation had dumped tons of waste products in a district known as the Love Canal. In 1953, as the landfill reached capacity, Hooker had covered the site with earth and sold it to the city. Schools, single-family houses, and low-income apartments soon sprang up, but residents complained of odors and strange substances oozing from the ground. In the later 1970s tests confirmed that toxic chemicals, including deadly dioxin, were seeping into basements, polluting the air, and discharging into the Niagara River. Medical researchers found elevated levels of cancer, miscarriages, and birth defects among Love Canal inhabitants.

In 1978 New York's health commissioner declared a medical emergency and closed a school directly over the landfill. A few days later, President Carter authorized federal funds to relocate the families most at risk. In 1980 Carter declared the Love Canal a national emergency, freeing more federal money for relocation and clean-up. The fact that Love Canal lay a few miles from Niagara Falls, once a symbol of America's sublime and unspoiled wilderness, added a level of tragic irony to the situation. Viewed together, the Alaska Lands Act, involving long-term wilderness preservation, and the urgent Love Canal crisis illustrate the complexity of the effort to confront the environmental implications of decades of industrialization and corporate pressures for further development.

Overall, Carter's domestic record proved thin. Congress ignored his proposals for administrative reforms in the civil service and the executive branch of government. His calls for a national health-insurance program, an overhaul of the welfare system, and reform of the income tax laws fell flat. His problems arose from his own political clumsiness, but perhaps even more from the limitations imposed by a conservative electorate in no mood for bold initiatives.

Carter's foreign-policy record was similarly mixed. As a candidate he had urged increased attention to human rights. His secretary of state, Cyrus Vance, worked to combat abuses in Chile, Argentina, Ethiopia, South Africa, and elsewhere. (Human-rights problems in countries allied with the United States, such as South Korea and the Philippines, received less attention.)

In Latin America Carter sought improved relations with Panama. Since 1964, when anti-American riots had rocked Panama, successive administrations had been negotiating a new Panama Canal treaty that would address Panama's grievances. The Carter administration
completed negotiations on treaties transferring the Panama Canal and the Canal Zone to Panama by 1999. Although these agreements protected U.S. security interests, conservatives attacked them as proof of America’s post-Vietnam loss of nerve, and recalled Teddy Roosevelt’s bold maneuvers that had brought the canal into existence. But in a rare congressional success, Carter won Senate ratification of the treaties.

In dealing with America’s Cold War adversaries China and the Soviet Union, Carter pursued the Nixon-Kissinger strategy of seeking to normalize relations. After China’s long-time leader Mao Zedong died in 1976, his successor, Deng Xiaoping, expressed interest in closer links with the United States. Carter responded by restoring full diplomatic relations with Beijing in 1979, thus opening the door to scientific, cultural, and commercial exchanges. Relations with China remained rocky because of that nation’s human-rights abuses, but the era of total hostility and diplomatic isolation had ended.

Toward the Soviet Union Carter showed both conciliation and toughness, with toughness ultimately winning out. In a 1979 meeting in Vienna, Carter and the Soviet leader Leonid Brezhnev signed the SALT II treaty, limiting each side’s nuclear-weapons arsenals. When Carter sent the treaty to the Senate for ratification, however, advocates of a strong military attacked it for favoring the Soviets. Support for SALT II dissolved entirely in January 1980 when Russia invaded Afghanistan. The reasons for the invasion were complex, but many Americans viewed it as proof of Moscow’s expansionist designs. As U.S.-Soviet relations soured, Carter withdrew SALT II from the Senate and adopted a series of anti-Soviet measures, including a boycott of the 1980 Summer Olympics in Moscow. This hard-line Soviet policy reflected the growing influence of Carter’s national security adviser, Polish-born Zbigniew Brzezinski, who advocated a tough stance toward Moscow.

The Middle East: Peace Accords and Hostages

Carter’s proudest achievement and his bitterest setbacks came in the Middle East. Despite Henry Kissinger’s efforts, a state of war still prevailed between Israel and Egypt. When Egyptian leader Anwar el-Sadat unexpectedly flew to Israel in 1977 to negotiate with Israeli prime minister Menachem Begin, Carter saw an opening. In September 1978 Carter hosted Sadat and Begin at Camp David, the presidential retreat in Maryland. The Camp David Accords that resulted set a timetable for granting greater autonomy to the Palestinians living in the West Bank and Gaza Strip, occupied by Israel since the 1967 war. In March 1979 the two leaders signed a formal peace treaty at the White House.

Carter’s hopes for a comprehensive Middle Eastern settlement came to nothing. Despite the Camp David Accords, Israel continued to build Jewish settlements in the occupied territories. The other Arab states rejected the accords, and in 1981 Islamic fundamentalists assassinated Sadat. Tension in the region remained high, and peace seemed as elusive as ever.

A new Middle Eastern crisis erupted in 1979. For years, Iran had been ruled by Shah Mohammed Reza Pahlavi, who headed a harshly repressive but pro-U.S. regime. Iran’s Shiite Muslims, inspired by their exiled spiritual head, Ayatollah Ruhollah Khomeini, bitterly opposed the shah’s rule. In January 1979, amid rising Shiite unrest, the shah fled Iran. Khomeini returned in triumph, imposed strict Islamic rule, and preached hatred of the United States.

In November, after Carter admitted the shah to the United States for cancer treatment, Khomeini supporters stormed the U.S. embassy in Tehran and seized more than fifty American hostages. Thus began a 444-day ordeal that nearly paralyzed the Carter administration. TV images of blindfolded hostages, anti-American mobs, and U.S. flags being used as garbage bags rubbed American nerves raw. A botched rescue attempt in April 1980 left eight GIs dead. Secretary of State Vance, who
had opposed the rescue effort, resigned. Not until January 20, 1981, the day Carter left office, did the Iranian authorities release the hostages.

Troubles and Frustration at the End of Carter’s Term

The decade’s second oil crisis hit in 1979. When OPEC again boosted oil prices, U.S. gasoline prices edged toward the then-unheard-of level of $1 a gallon. Tempers flared as long lines formed at gas stations. Driven by repeated oil-price hikes, inflation worsened. Prices rose by more than 13 percent in both 1979 and 1980. In 1979 alone, U.S. consumers paid $16.4 billion in added costs related to the oil-price increases. As the Federal Reserve Board battled inflation by raising interest rates, mortgages and business loans became prohibitively expensive. Economic activity stalled, producing “stagflation”—a combination of business stagnation and price inflation. Once again, events abroad directly affected the American home front.

Pondering the crisis, Carter drew a larger lesson: the nation’s wasteful energy consumption must give way to a new ethic of conservation. He recognized that two key factors that had buttressed U.S. economic growth—cheap, unlimited energy and the lack of foreign competition—could no longer be counted on. The era of endless expansion was over, he concluded, and the nation must adopt a philosophy of restraint. In 1977 Carter had created a new Department of Energy and proposed an energy bill involving higher oil and gasoline taxes, tax credits for conservation measures, and research on alternative energy resources. Congress had passed a watered-down version of his plan in 1978, and Carter now decided that tougher energy legislation was needed. But he failed to convince either Congress or the public that he could provide the leadership to resolve either the hostage crisis abroad or the energy crisis at home.

As with Herbert Hoover in the early 1930s, Americans turned against the remote figure in the White House. When Carter’s approval rating sagged to 26 percent in the summer of 1979 (lower than Nixon’s at the depths of Watergate), he isolated himself at Camp David and then emerged to deliver a TV address that seemed to shift the blame to the American people for their collective “malaise” and “crisis of confidence.” A cabinet reshuffle followed, but the whole exercise deepened suspicions that Carter himself was a big part of the problem. In mid-1980, an election year, Carter’s approval rating fell to an appallingly low 23 percent. The Democrats glumly renominated him, but defeat in November loomed.

Carter’s sudden emergence in 1976 illustrated how, in the TV era, a relative unknown could bypass party power brokers and win a national following almost overnight. At a moment when Americans longed to see integrity restored to the presidency, he seemed a godsend. Keenly analytical, Carter identified many emerging issues, including the need for environmental protection; energy conservation; and reform of the nation’s tax, welfare, and health-care structures.

But in contrast to Franklin Roosevelt and Lyndon Johnson, he lacked the political skills to build a consensus around the solutions he believed necessary. A post-presidential career devoted to humanitarian service and international conflict-resolution restored Carter’s reputation, and brought him the Nobel Peace Prize in 2002. But when he left office in January 1981, few expressed regrets.

In 1980, with the conservative backlash against the 1960s in full swing, voters turned to a candidate who promised to break with the recent past: Ronald Reagan. His unabashed patriotism appealed to a nation still traumatized by Vietnam. His promise to reverse the Democrats’ “tax and spend” policies and his attacks on the social-welfare ideology of the New Deal, the Fair Deal, and the Great Society resonated with millions of white middle-class and blue-collar Americans.

As president, Reagan called for a renewal of patriotism. His economic policies at first brought on a recession, but eventually lowered inflation and triggered consumer buying and a stock-market boom. These same policies caused economic difficulties after his departure. In his first term Reagan unleashed blasts of belligerent Cold War rhetoric, pursued the arms race with the Soviets, and financed guerrilla forces in Latin America seeking to overthrow leftist regimes. He also confronted crises in the Middle East and elsewhere that did not readily fit into his Cold War world view.

Background of the Reagan Revolution

What underlay Reagan’s appeal? First, voters frightened by the prospect of chronic stagflation were drawn to his seemingly painless panacea: a big tax cut that would stimulate the economy. This in turn would boost tax revenues so the budget could be balanced, reducing inflationary pressures. George Bush, Reagan’s rival for the Republican nomination, ridiculed this plan as “voodoo economics,” but it impressed many voters. Moreover, Reagan’s tributes to self-help and private enterprise appealed to many as an alternative to the New Deal-Great Society ideology of government activism. His uncomplicated patriotism, calls for military strength, and praise of America’s greatness soothed the battered national psyche.

Reagan also embraced the cultural conservatism of the so-called New Right, which included millions of religious evangelicals. The social unrest and sexual revolution of the 1960s; the women’s movement; rising abortion and divorce rates; the open celebration of homosexuality; the pervasiveness of sex and violence in the media; court rulings against prayer in the classroom; and “secular humanism” in school textbooks all upset Americans who longed for clear-cut moral standards and a return to “traditional values.”

Jerry Falwell and others eagerly translated such concerns into political action. Falwell’s pro-Reagan Moral Majority registered an estimated 2 million new voters in 1980 and 1984. The organization disbanded after 1984, but Pat Robertson’s Christian Coalition took its place, mobilizing conservative Christians to elect candidates to town councils and school boards as a prelude to expanded national influence. Reagan also benefited from the erosion of Democratic strength in the South fostered earlier by George Wallace and Richard Nixon.

Demographics contributed to Reagan’s success. While New York City, Chicago, Detroit, and other Democratic strongholds in the Northeast and Midwest lost population in the 1970s, Texas, California, Florida, and other historically conservative Sunbelt states gained population. In 1978 Californians passed Proposition 13, a referendum calling for deep tax cuts. Elsewhere in the West, ranchers and developers demanded a return of federal lands to state control.

Reagan, a skillful actor and seasoned public speaker, combined these themes into a potent message. Belying his sixty-nine years, he conveyed a youthful vigor. At a time of national malaise, he seemed to offer confident, assured leadership. Critics found him superficial and his ideology selfish and mean-spirited, and time would reveal gaps between substance and image in Reagan’s appeal, but in 1980 a majority of voters found him irresistible.

Reagan grew up in Dixon, Illinois, the son of an alcoholic father and a pious mother active in a fundamentalist church. After finishing college he announced sports events for a Des Moines radio station and in 1937 moved to Hollywood. His fifty-four films proved forgettable, but he gained political experience as president of the Screen Actors’ Guild. A New Dealer in the 1930s, Reagan had moved to the right in the 1950s, and in 1954 he became a corporate spokesman for the General Electric Company. In a 1964 TV speech for presidential candidate Barry Goldwater, he passionately praised American individualism and the free-enterprise system.

Elected governor of California in 1966 with the help of a group of California millionaires, Reagan continued to popularize conservative ideas while taking a tough line against campus demonstrators. He nearly won the Republican presidential nomination in 1976, and in 1980 he easily disposed of his principal opponent, George Bush, whom he then chose as his running mate. Like his one-time political hero Franklin Roosevelt, Reagan promised the American people a new deal. But unlike FDR, Reagan’s new deal meant smaller govern-
ment, reduced taxes and spending, and untrammeled free enterprise.

Hammering at the question “Are you better off now than you were four years ago?” Reagan garnered 51 percent of the popular vote to Carter’s 41 percent (see Map 30.1). (An independent candidate, liberal Republican John Anderson, collected most of the balance.) Republicans gained eleven Senate seats, and with them, for the first time since 1955, a majority. These Senate victories revealed the power of conservative political action committees (PACs), which used computerized mass mailings focusing on emotional issues like abortion and gun control. (PACs were not confined to conservatives; organizations of all ideological stripes used them.)

Reaping the benefits of Nixon’s southern strategy, Reagan carried every southern state except Carter’s own Georgia as well as every state west of the Mississippi except Minnesota and Hawaii. Over half the nation’s blue-collar workers voted Republican. Of FDR’s New Deal political alliance, only black voters remained firmly Democratic.

Reaganomics

The new president’s economic program, called Reaganomics by the media, boiled down to the belief that U.S. capitalism, if freed from heavy taxes and government regulation, would achieve wonders of productivity. Reagan’s first budget message proposed a 30 percent reduction in federal income taxes over three years. Trimming this proposal slightly, Congress voted a 25 percent income tax cut: 5 percent in 1981 and 10 percent in 1982 and 1983.

To make up the lost revenues, Reagan proposed massive cuts in such programs as school lunches, student loans, job training, and urban mass transit. Congress cut less than Reagan wanted, but it did slash more than $40 billion from domestic spending. Conservative southern Democrats, nicknamed boll weevils, joined Republicans in voting these cuts. Journalists harked back to FDR’s Hundred Days of 1933 to find a time when government had shifted gears so dramatically. Economists warned that the tax cut would produce huge federal deficits, but Reagan insisted that lower tax rates would stimulate business growth and thereby push up total tax revenues.

Reaganomics also involved drastic cutbacks in federal regulation of business. Deregulation had begun under Carter, but Reagan extended it into new areas such as banking, the savings-and-loan industry, transportation, and communications. The head of the Federal Communications Commission hacked away at federal rules governing the broadcast industry. The secretary of transportation cut back on regulations Congress had
passed in the 1970s to reduce air pollution and improve vehicle efficiency and safety.

Secretary of the Interior James Watt of Wyoming worked tirelessly to open federal wilderness areas, forest lands, and coastal waters to oil and gas companies and developers; undermine endangered-species programs; and cut programs to protect environmentally threatened regions. Before coming to Washington, Watt had headed the Mountain States Legal Foundation which spearheaded the so-called Sagebrush Rebellion of western conservatives seeking to open public lands to private development (see Map 30.2). In response to Watt’s extreme anti-environmentalist positions, the Sierra Club, the Wilderness Society, and other environmental organizations grew rapidly. More than a million environmentalists signed petitions demanding Watt’s ouster. After a series of public-relations gaffes and comments offensive to various groups, Watt resigned in 1983.

Although the Reagan administration’s attack on “big government” affected certain federal functions, particularly in the regulatory and environmental realm, it had little overall effect. The century-long growth of the federal government’s budget and bureaucracy continued in the 1980s.

While implementing Reaganomics, the administration also faced the immediate problem of inflation. The Federal Reserve Board led the charge, pushing interest rates ever higher. This harsh medicine, coupled with a drop in oil prices, did its job. Inflation fell to around 4 percent in 1983 and held steady thereafter.

**Recession and Boom Times**

The high interest rates necessary to curb inflation soon brought on a recession. By late 1982 unemployment stood at 10 percent. As funding for social programs dried up, the plight of the poor worsened. Inner-city blacks and Hispanics suffered severely. The Reagan recession also contributed to falling exports. As foreign investors bought dollars to earn high U.S. interest rates, the dollar rose in value vis-à-vis foreign currencies, making U.S. goods more expensive abroad. With exports declining and U.S. consumers buying TVs, stereos, and automobiles made in Japan and other countries, the U.S. trade deficit (the gap between exports and imports) more than tripled in the early 1980s, reaching a whopping $111 billion in 1984.

The industrial heartland reeled under the triple blows of slumping exports, foreign competition, and technological obsolescence. The hard-hit auto plants, aging steel mills, and other industries of the Midwest laid off hordes of workers, and many plants closed. In 1979–1983, 11.5 million U.S. workers lost jobs as a result of plant closings and slack work. Farmers suffered as well. Wheat exports fell 38 percent from 1980 to 1985, and corn exports by 49 percent. In foreclosure sales evocative of the 1930s, still more family farms vanished.

Soaring federal deficits added to the economic muddle. Reagan’s tax cuts reduced federal revenues without immediately producing the predicted business boom, while soaring military appropriations far exceeded domestic spending cuts. With the economy sputtering, budget deficits mounting, and critics denouncing him as callous toward the poor, Reagan in 1982–1983 accepted a reduced rate of military spending, a slowing of funding cuts in social programs, new emergency job programs, and various tax increases disguised as “revenue-enhancement measures.”

Despite a stock-market upturn, the economy remained worrisome through 1982. In the elections that fall, the Democrats gained twenty-six House seats. Like other recent presidents, Reagan appeared headed for failure. But 1983 brought an economic rebound. Encouraged by tax cuts, falling interest rates, and evidence that inflation had been tamed at last, consumers went on a buying binge; unemployment dropped; and Reagan’s popularity revived.

With better times came a wave of stock-market speculation reminiscent of the 1920s. The bull market began in August 1982, and it lasted for five years. Entrepreneurs like Donald Trump, a Manhattan real-estate tycoon, and Ivan Boesky, an apparent genius at stock transactions, became celebrities. E. F. Hutton and other brokerage firms advertised heavily to lure new investors. Corporate mergers proliferated. Chevron bought Gulf for $13 billion in 1984; GE acquired RCA (and its NBC subsidiary) for $6.3 billion in 1986. The stock market roared on. Banks and savings-and-loan companies, newly deregulated and flush with the deposits of eager investors, ladled out billions to developers planning shopping malls, luxury apartments, condominiums, retirement villages, and office buildings.

The Wall Street frenzy had a downside. In 1985 E. F. Hutton officials pled guilty to the illegal manipulation of funds. Ivan Boesky went to prison after a 1986 conviction for insider trading (profiting through advance knowledge of corporate actions). On October 19, 1987, the stock market crashed. The Dow Jones Industrial Average, a leading indicator of stock prices, plunged 508 points as one-fifth of the paper value of the nation’s stocks evaporated. Thanks to prompt government action to ease credit, the market soon recovered, but the collapse reminded giddy investors that stocks can go down as well as up.
MAP 30.2 Land Ownership in the West
From national parks and forests to hydroelectric facilities and military test sites, the federal government’s vast holdings in the West helped shape the politics of the region. Source: Time, Inc. Copyright © 2001. Reprinted with permission.
Even during the great bull market, economic problems persisted. The trade gap widened; the deficit passed $200 billion in 1986; and many farmers, inner-city poor, recent immigrants, and displaced industrial workers suffered through the boom times. But by 1988—just in time for Reagan's reelection campaign—the overall economic picture looked brighter than it had in years.

Reagan Confronts the “Evil Empire” and Crises in the Middle East

The anti-Soviet rhetoric of the late 1970s intensified during Reagan's first term. Addressing a convention of Protestant evangelicals, the president demonized the Soviet Union as “the focus of evil in the modern world.” Anti-Soviet fury exploded in September 1983 when the Russians shot down a Korean passenger plane that had strayed into their airspace, killing all 269 aboard. Moscow claimed that the plane had been spying, but later abandoned this excuse.

The administration's anti-Soviet obsession influenced its policy toward El Salvador and Nicaragua, two desperately poor Central American nations caught up in revolutionary turmoil (see Map 30.3). The Reagan White House backed the Salvadoran military junta in its brutal suppression of a leftist insurgency supported by Fidel Castro’s Cuba. A U.S.-backed moderate won the 1984 presidential election in El Salvador, but the killing of the regime's opponents went on.

In Nicaragua, the Carter administration had initially granted aid to the Sandinista revolutionaries who overthrew dictator Anastasio Somoza in 1979. Reagan reversed this policy, claiming that the leftist Sandinistas were turning Nicaragua into a procommunist state like Castro's Cuba. In 1982 the CIA organized and financed a ten-thousand-man anti-Sandinista guerrilla army, called the contras, based in neighboring Honduras and Costa Rica. The contras, many of whom were linked to the hated Somoza regime, conducted raids, planted mines, and carried out sabotage inside Nicaragua. This U.S.-financed guerrilla campaign took a heavy toll of civilian lives.

For Reagan, the campaign to overthrow the Sandinistas and to control events in Latin America became an obsession. “The national security of all the Americas is at stake,” he somberly told a joint session of Congress in May 1983; “. . . if we cannot defend ourselves there, we cannot expect to prevail elsewhere. . . and the safety of our homeland would be put at jeopardy.”

Fearing another Vietnam, Americans grew alarmed as details of this U.S.-run “covert” war leaked out. Congress voted a yearlong halt in U.S. military aid to the
contras in December 1982 and imposed a two-year ban in 1984. Reagan's enthusiasm for the contras held steady. Despite congressional prohibitions, the White House continued to funnel money contributed by foreign governments and right-wing groups in the United States to the contras. Reagan grudgingly backed a 1988 truce between the Sandinistas and the contras arranged by Central American leaders, but he still hoped for a contra victory.

Reagan's militarization of U.S. foreign policy fell heavily on the tiny West Indian island of Grenada, where a 1983 coup had installed a radical leftist government. In October 1983 two thousand U.S. marines invaded Grenada and set up a pro-U.S. government. Democrats voiced sharp criticism, but most Grenadians, as well as other West Indian governments, approved.

The continuing turmoil and conflict in the Middle East that had so frustrated President Carter also preoccupied the Reagan administration. Hoping to slow the spread of Islamic fundamentalism, the United States tilted toward Saddam Hussein's Iraq in its eight-year war with Iran (1980–1988), which resulted in an estimated 1.5 million casualties, devastated both nations' economies, and created millions of refugees.

Meanwhile, the conflict among Israel, the Palestinians, and Israel's Arab foes dragged on. The United States had vital interests in the region. Many Americans felt a deep emotional bond with Israel, and each year the United States gave Israel large grants in military aid and other assistance. At the same time, the United States also gave extensive aid to Egypt and relied heavily on oil from Saudi Arabia and other Arab states, some of which were violently anti-Israel. Despite or because of these conflicting pressures, successive U.S. administrations proved unable to achieve peace in the region, and the Reagan administration was no more successful than the others.

In 1981 Israel and the Palestine Liberation Organization (PLO) concluded a cease-fire. But the PLO continued building up forces at its base in southern Lebanon. In June 1982, when an extremist faction within the PLO shot and critically wounded Israel's ambassador to Great Britain, Israeli troops under General Ariel Sharon, Israel's defense minister, invaded Lebanon, defeated the PLO, and forced its leaders, including chairman Yasir Arafat, to evacuate Lebanon. The invasion intensified conflicts among Lebanon's various Christian and Muslim factions. With Sharon's approval, a Lebanese Christian militia force entered two Palestinian refugee camps near Beirut to root out armed gunmen. Instead, in revenge for the assassination of Lebanon's Christian president a few days earlier, they massacred as many as 700-800 camp residents, including women and children. An Israeli commission of inquiry found Sharon negligent for permitting the militiamen to enter the camp and recommended his dismissal, but found no evidence that Sharon knew of the planned massacre in advance. Sharon resigned as defense minister, but remained in the government.

After the Beirut massacre, President Reagan ordered two thousand marines to Lebanon as part of a multinational peacekeeping force. The Muslim militias saw the Americans as favoring Israel and the Christian side, and in October 1983 a Shiite Muslim on a suicide mission crashed an explosive-laden truck into a poorly guarded U.S. barracks, killing 239 marines. Reagan had never clearly explained how the deployment served U.S. interests, and the disaster further discredited his policy. In early 1984 he withdrew the surviving marines.

Reagan's efforts to promote a wider Middle East peace settlement proved equally ineffective. In September 1982 he tried to use the Lebanese crisis to jump-start Arab-Israeli peace talks based on the 1978 Camp David Accords. This effort failed, like others before it.

Military Buildup and Antinuclear Protest

Insisting that the United States had grown dangerously weak since the end of the war in Vietnam, Reagan launched a massive military expansion. The Pentagon's budget nearly doubled, reaching more than $300 billion by 1985. Later, after the Cold War ended, Reagan's supporters would claim that Moscow's efforts to match Reagan's military buildup was the final blow to an already faltering Soviet economy. Others, however, traced the Soviet collapse primarily to structural weaknesses within the USSR itself.

The military buildup included nuclear weapons. Secretary of State Alexander Haig spoke of the utility of "nuclear warning shots" in a conventional war, and other administration officials mused about the "winnability" of nuclear war. Despite popular protests across Europe, the administration deployed 572 nuclear-armed missiles in Western Europe in 1983, fulfilling a NATO decision to counterbalance Soviet missiles in Eastern Europe. The Federal Emergency Management Agency issued a nuclear-war defense plan whereby city residents would flee to nearby small towns. A Defense Department official argued that backyard shelters would provide protection in a nuclear war. "With enough shovels," he asserted, "everybody's going to make it."
Such talk, coupled with the military buildup and Reagan’s anti-Soviet rhetoric, convinced many Americans that a serious threat of nuclear war existed. A campaign for a freeze on the manufacture and deployment of nuclear weapons won strong support. Antinuclear protesters packed New York’s Central Park in June 1982. That November, voters in nine states, including California and Wisconsin, approved nuclear-freeze resolutions.

To counter the freeze campaign, Reagan in March 1983 proposed the Strategic Defense Initiative (SDI), a system of space-based lasers and other high-tech defenses against nuclear missiles that critics quickly dubbed Star Wars. Even though skeptics warned of the project’s monumental technical hurdles and the danger that it would further escalate the nuclear-arms race, the Pentagon launched a costly SDI research program.

Reagan Reelected

As the 1984 election neared, liberal Democrats and many independents criticized the Reagan presidency for runaway military spending, Cold War belligerence, massive budget deficits, cuts in social programs, and assaults on the government’s regulatory powers. To critics, jingoism abroad and selfishness at home summed up the meaning of Reaganism.

But many Americans applauded Reagan’s attacks on big government and his tough policy toward the Soviets. Rhetoric aside, the administration had some solid achievements to its credit, a booming economy and notably an end to rampant inflation. Reagan’s personal popularity remained high. Some dubbed him the Teflon president—nothing seemed to stick to him. Feminists welcomed his 1981 nomination of Sandra Day O’Connor as the first woman justice on the U.S. Supreme Court. Americans admired his jaunty response when a ricocheting bullet fired by a deranged young man struck him in the chest as he left a Washington hotel in March 1981. Rushed to the hospital, Reagan walked in under his own steam, quipping to the physicians, “Please tell me you’re all Republicans.” (The attack disabled Reagan’s press secretary, James Brady, who with his wife Sarah later became leaders of the campaign for stricter gun-control laws.) By 1984 many citizens believed that Reagan had fulfilled his promise to revitalize the free-enterprise system, rebuild U.S. military might, and make America again “stand tall” in the world. The 1984 Republican convention, staged for TV, accentuated themes of patriotism, prosperity, and the personality of Ronald Reagan.

The Democratic hopefuls included Gary Hart, a former Colorado senator, and Jesse Jackson, a Chicago black leader who proposed a “rainbow coalition” of African-Americans, Hispanics, displaced workers, and other outsiders. But former vice president Walter Mondale won the nomination with backing from labor unions, party bigwigs, and various interest groups. His vice-presidential choice, New York congresswoman Geraldine Ferraro, became the first woman to run on a major-party presidential ticket.

Reagan and Bush won 59 percent of the popular vote and carried every state but Mondale’s Minnesota and the District of Columbia. Many traditionally Democratic voters, especially blue-collar workers, again defected to Reagan. Despite Ferraro’s presence on the Democratic ticket, a higher percentage of women voted Republican in 1984 than in 1980. Reagan’s ideological appeal and his mastery of TV, combined with prosperity, had carried the day. Though the Democrats retained control of Congress and remained strong at the state and local levels, the Republicans’ post-1968 dominance of the White House—interrupted only by Jimmy Carter’s single term—continued.

Some frustrated Democrats sought to reverse their image as a “big government” and “tax-and-spend” party dominated by special-interest groups. In 1985 Arkansas governor Bill Clinton and Senators Al Gore of Tennessee, Joseph Lieberman of Connecticut, and John Breaux of Louisiana, along with others, formed the Democratic Leadership Council (DLC) to stave out a more centrist party position. In the early 1990s Clinton would use his chairmanship of the DLC as a springboard for a presidential bid.

A Sea of Problems in Reagan’s Second Term, 1985–1989

In his first term, Ronald Reagan had set the political agenda: tax cuts, deregulation, and more military spending. His second term, by contrast, was dominated by economic problems and by events linked to foreign affairs. In 1986 the so-called Iran-contra scandal erupted, caused by Reagan’s stubborn determination to pursue his objectives in Latin America by secret means despite congressional prohibitions. Reagan’s historic trip to Moscow in 1988 marked a dramatic easing of Cold War tensions, but continued conflict in the Middle East and a wave of terrorist bombings made clear that even if the Cold War ended, the world would remain a dangerous place.
**Budget Deficits and Trade Gaps**

Reagan’s second term brought some legislative achievements, including the Immigration Reform and Control Act of 1986, discussed earlier, and a tax-reform law that made the system fairer by eliminating many deductions and establishing uniform rates for taxpayers at comparable income levels. The law removed some 6 million low-income Americans from the income-tax rolls as well. Reagan also reshaped the Supreme Court and the federal judiciary in his own conservative image.

But sky-high federal deficits—the legacy of Reaganomics—grew worse. The deficit surged to over $200 billion in 1985 and 1986, and hovered at about $150 billion for the next two years. This, coupled with the yawning trade gap, were Reagan’s principal economic legacies to his successor.

Issues related to foreign policy dominated Reagan’s second term. His domestic record would rest on the tax cuts, deregulation, and other legislative initiatives of his first term.

**The Iran-Contra Affair and Other Scandals**

The worst scandal to hit the Reagan presidency arose from the administration’s efforts to control events in Latin America, a perennial temptation for U.S. presidents. Late in 1986 a Beirut newspaper reported the shocking news that in 1985 the United States had shipped, via Israel, 508 antitank missiles to the anti-American government of Iran. Admitting the sale, Reagan claimed that the goal had been to encourage “moderate elements” in Tehran and to gain the release of U.S. hostages held in Lebanon by pro-Iranian groups. In February 1987 a presidentially appointed investigative panel placed heavy blame on Reagan’s chief of staff, Donald Regan, who resigned.

More details soon spilled out, including the explosive revelation that Lieutenant Colonel Oliver North, a National Security Council aide in the White House, had secretly diverted the profits from the Iran arms sales to the Nicaraguan contras at a time when Congress had forbidden such aid. In November 1986, a step ahead of FBI agents, North and his secretary had altered and deleted sensitive computer files and destroyed incriminating documents. North implicated CIA Director William Casey in illegalities, but Casey’s death thwarted this line of investigation.

In May 1987 a joint House-Senate investigative committee opened televised hearings on the scandal. The nation watched in fascination as “Ollie” North, resplendent in his marine uniform, boasted of his patriotism, and as Reagan’s national security adviser, Admiral John Poindexter, testified that he had deliberately concealed the fund-diversion scheme from the president.

In some ways the scandal seemed a sickening replay of the Watergate crisis of 1974. The committee found no positive proof of Reagan’s knowledge of illegalities, but roundly criticized the lax management style and contempt for the law that had pervaded the Reagan White House. In 1989, after his indictment by a special prosecutor, North was convicted of obstructing a congressional inquiry and destroying and falsifying official documents. (The conviction was later reversed on the technicality that some testimony used against North had been given under a promise of immunity.) Although less damaging than Watergate, the Iran-contra scandal dogged the Reagan administration’s final years as a gross abuse of executive power in a zealous campaign to overthrow a Latin American government the administration found objectionable.

Other unsavory revelations plagued Reagan’s second term, including allegations of bribery and conspiracy in military-procurement contracts. Reagan’s California friend Edwin Meese resigned as attorney general in 1988 amid charges that he had used his influence to promote ventures in which he had a financial interest. In 1989 came revelations that former Interior Secretary James Watt and other prominent Republicans had been paid hundreds of thousands of dollars for using their influence on behalf of housing developers seeking federal subsidies.

Reagan’s personal popularity seemed unaffected by all this dirty linen. Drawing on his training as an actor, he possessed an uncanny ability to communicate warmth and sincerity and to shrug off damaging revelations with a disarming joke. Moreover, Reagan benefited from an unanticipated turn of events abroad that would end his presidency on a note of triumph.

**Reagan’s Mission to Moscow**

A dramatic warming of Soviet-American relations began early in Reagan’s second term. At meetings in Switzerland and Iceland in 1985 and 1986, Reagan and Soviet leader Mikhail Gorbachev revived the stalled arms-control process. Beset by economic problems, Gorbachev pursued an easing of superpower tensions to gain breathing space for domestic reform.

In 1987 the two leaders signed the Intermediate-range Nuclear Forces (INF) Treaty, providing for the
removal of twenty-five hundred U.S. and Soviet missiles from Europe (see Table 30.1). This treaty, for the first time, eliminated an entire class of existing nuclear weapons rather than merely limiting the number of future weapons as SALT I had done. It, in turn, led to Reagan's historic visit to Moscow in May 1988, where the two leaders strolled and chatted in Red Square, in front of the Kremlin.

Some of Reagan's supporters were dismayed as their hero, having denounced the Soviet Union as an “evil empire” five years before, now cozied up to the world's top communist. One conservative paper, The Manchester [New Hampshire] Union-Leader, called Reagan's trip “a sad week for the free world.” Reagan himself, with his usual breezy good humor, pointed to changes in Soviet policy and argued that “the evil empire” was becoming more benign. Most Americans welcomed improved relations with the long-time Cold War enemy.

Historic in themselves, the INF treaty and Reagan's trip to Moscow proved a mere prelude to more dramatic events. They marked, in fact, nothing less than the beginning of the end of the Cold War. That one of America's most dedicated Cold Warriors should be the president to preside over its final phase remains one of the great ironies of recent U.S. history.

**Table 30.1 Milestones in Nuclear-Arms Control**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>Limited Test Ban Treaty</td>
<td>Prohibits atmospheric, underwater, and outer-space nuclear testing.</td>
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<tr>
<td>1967</td>
<td>Outer Space Treaty</td>
<td>Prohibits weapons of mass destruction and arms testing in space.</td>
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<tr>
<td>1968</td>
<td>Non-Proliferation Treaty</td>
<td>Promotes peaceful international uses of nuclear energy; aims to stop the global proliferation of nuclear weaponry.</td>
</tr>
<tr>
<td>1972</td>
<td>Strategic Arms Limitation Treaty (SALT I)</td>
<td>Limits for five years U.S. and Soviet deployment of strategic weapons systems.</td>
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<tr>
<td></td>
<td>Anti-Ballistic Missile (ABM) Treaty</td>
<td>Restricts U.S. and Soviet testing and deployment of defensive systems. (Allowed to expire, 2002.)</td>
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<tr>
<td>1974</td>
<td>Threshold Test Ban Treaty</td>
<td>Establishes limits on size of underground tests.</td>
</tr>
<tr>
<td>1979</td>
<td>Strategic Arms Limitation Treaty (SALT II)</td>
<td>Limits strategic launch vehicles and delivery craft and restricts the development of new missiles. (The treaty was never ratified, but the United States and the Soviet Union observed its terms.)</td>
</tr>
<tr>
<td>1982</td>
<td>Strategic Arms Reduction Talks (START)</td>
<td>Sought a 50 percent reduction in U.S. and Soviet strategic nuclear weapons.</td>
</tr>
<tr>
<td>1988</td>
<td>Intermediate-range Nuclear Forces (INF) Treaty</td>
<td>Commits the United States and the Soviet Union to withdraw their intermediate-range nuclear missiles from Eastern and Western Europe and to destroy them.</td>
</tr>
</tbody>
</table>
The Dangerous Middle East: Continued Tension and Terrorism

As relations with Moscow improved in Reagan's second term, the situation in the Middle East worsened. In 1987 Palestinians in Gaza and the West Bank rose up against Israeli occupation. In response, Secretary of State George Shultz tried to start talks among Israel, the Palestinians, and Jordan on a plan for Palestinian autonomy. Israel refused to negotiate until the uprising ended, and the Palestinians rejected Shultz's proposals as not going far enough toward creating a Palestinian state. Despite U.S. opposition, Israel continued to build settlements in the disputed West Bank region.

A deadly by-product of the Middle East conflict was a series of bombings, kidnappings, assassinations, air-plane hijackings, and other attacks linked to Palestinian terrorists (or "freedom fighters," as the Palestinians called them) and their backers in the Arab world. In 1985 terrorists set off deadly bombs in the Vienna and Rome airports and hijacked a TWA flight en route to Rome from Athens, holding the crew and 145 passengers hostage for seventeen days and murdering a U.S. sailor among the passengers. That same year, four heavily armed PLO members demanding the release of Palestinian prisoners held by Israel hijacked an Italian cruise ship, the Achille Lauro, dumping a wheelchair-bound Jewish-American tourist into the sea. In 1986 two GIs died and many were injured in the bombing of a Berlin disco club popular with U.S. troops.

Accusing Libyan strongman Muammar el-Qadaffi of masterminding the Berlin bombing and other terrorist attacks, Reagan ordered U.S. bombers to hit Libyan military sites in 1986. But the cycle of large-scale and small-scale terrorist attacks continued, reaching more than one thousand in 1988. In the worst attack, Pan Am flight 103 from London to New York crashed in December 1988 near Lockerbie, Scotland, killing all 259 aboard, including many Americans. Experts quickly identified a concealed bomb as the cause. In 1991 the United States and Great Britain brought formal charges against Libya for the attack. After years of stalling, Qaddafi allowed two accused Libyan officials to be extradited and face trial in 1999. In 2001 a special Scottish court sitting in the Netherlands acquitted one of the men but found the other guilty of murder and imposed a life sentence.

This cycle of terrorism, which would continue well beyond the 1980s, was a by-product of festering tensions in the Middle East. Hatred of Israel, and even the belief that the Jewish state had no right to exist, gripped parts of the Arab world, particularly the Islamic fundamentalists who appeared to be growing in numbers and influence as the century ended. The Palestinian leader Yasir Arafat bore responsibility as well, for repeated failures of leadership and missed opportunities. The continued building of Israeli settlements in the Palestinian territories also contributed to the climate of hopelessness and resentment that helped spawn terrorist attacks.

In a global context, then, Reagan's term ended on a note of deep uncertainty. The easing of Cold War tensions offered hope of a more peaceful and secure future. Yet the rising tempo of surprise attacks by shadowy terrorist groups pointed to a future that, in its way, threatened to be as dangerous and unsettling as the Cold War itself.

Assessing the Reagan Years


Reagan's critics, stressing the Hollywood aspects of his presidency, dismissed his two terms as more an interlude of nostalgia and drift than of positive achievement—a time when self-interest trumped the public good. Critics pointed out how readily Reagan's celebration of individual freedom translated into self-centered
materialism and a callousness disregard of social injustice. Apart from anticommunism, a military buildup, and flag waving, they contended, Reagan offered few goals around which the nation as a whole could rally.

The critics gained an unexpected ally from the Reagan inner circle in 1988 when former Chief of Staff Donald Regan, still smarting over his forced resignation during the Iran-contra scandal, published a memoir of his White House years that portrayed the president as little more than an automaton: “Every moment of every public appearance was scheduled, every word was scripted, every place where Reagan was expected to stand was chalked with toe marks.”

To his admirers, such criticism was beside the point. They felt that Reagan deserved high marks for reasserting traditional values of self-reliance and free enterprise; contributing to America’s Cold War victory through his military buildup; and, with his infectious optimism and patriotism, helping restore national pride.

On the international front, Reagan’s aggressive anticommunism dragged his administration into the swamp of the Iran-contra scandal. But he had the good fortune to hold office as the Cold War thawed and the Soviet menace eased. By the end of his term, détente, derailed in the late 1970s, was barreling ahead. The shadow world of international terrorism, however, which announced itself with assassinations, exploding bombs, and crashing airplanes, signaled new global challenges ahead. In his post-presidential years, as Reagan himself lived on in a twilight realm darkened by Alzheimer’s disease, “the Reagan revolution” continued in some ways to define the terms of contemporary American politics.

**Conclusion**

U.S. culture in the 1970s and 1980s revealed contradictory tendencies. On one hand, in reaction against the turmoil of the 1960s, movies, TV, and popular music provided escapism; and many middle-class citizens turned to personal pursuits and careerist goals. But at the same time, activist energies rooted in the 1960s found expression in a revived women’s movement, a gay-rights campaign, and support for environmental causes. As a conservative backlash gained momentum, this activism also stirred vigorous opposition. Amid a resurgence of evangelical religion, conservatives organized politically to achieve their vision of a better America.

On the social and economic fronts, these years saw equally divergent tendencies. In the 1970s rising oil prices brought simultaneous stagnation and inflation that soured the national mood and shadowed the presidencies of Gerald Ford and Jimmy Carter. The 1980s, though bracketed by recessions (see Chapter 31), brought a boom that suffused parts of Reagan’s America with a glow of prosperity. Millions of Americans, however, mostly in the inner cities and mostly darker-skinned minorities, seemed permanently frozen out of a high-tech economy that increasingly demanded education and specialized skills. Family farms proved unable to compete with large agribusinesses. Many African Americans entered the ranks of the middle class and the professions, but a large minority remained trapped in poverty. Native Americans faced continuing deprivation but also new economic opportunities and the prospect of benefiting from long-ignored treaty rights. Throughout the era growing immigration from Latin America and Asia reshaped the nation’s ethnic and demographic profile.

Internationally, Ford, Carter, and Reagan all grappled with a rapidly changing world in which solutions seemed maddeningly elusive. U.S.-Soviet relations worsened in the late 1970s and early 1980s, but improved dramatically in Reagan’s second term. Economic and social problems in the Soviet Union—perhaps hastened by Reagan’s heavy defense spending—signaled nothing less than the end of the Cold War, an amazing and largely unanticipated development that would fully unfold during the presidency of Reagan’s successor, George Bush.

Brightening prospects on one front were matched by heightened menace elsewhere. The Middle East, in particular, riven by ancient conflicts, brought moments of illusory hope interspersed with frustration and tragedy. As the 1980s ended, a rising tempo of terrorist attacks suggested that the nation was entering a period no less dangerous, in its own way, than that which Americans had faced during the darkest days of the Cold War.

**For Further Reference**

**Readings**


**For Further Reference**

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**Chronology, 1974–1989**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>Equal Rights Amendment passed by Congress.</td>
</tr>
<tr>
<td>1973</td>
<td>Major rise in OPEC prices; Arab oil boycott. Roe v. Wade.</td>
</tr>
<tr>
<td>1975</td>
<td>South Vietnamese government falls. Mayaguez incident.</td>
</tr>
<tr>
<td>1978</td>
<td>Carter authorized federal funds to relocate Love Canal residents.</td>
</tr>
<tr>
<td>1982</td>
<td>Major cuts in taxes and domestic spending, coupled with large increases in military budget. AIDS first diagnosed.</td>
</tr>
<tr>
<td>1983</td>
<td>Equal Rights Amendment dies. CIA funds contra war against Nicaragua’s Sandinistas. Central Park rally for nuclear-weapons freeze.</td>
</tr>
</tbody>
</table>
| 1986 | Congress passes South African sanctions. Immigration Reform and Control Act. |}


**WEBSITES**

Defining Evangelicalism

http://www.wheaton.edu/isae/defining_evangelicalism.html

An informative introduction to an important movement in American Protestantism that profoundly influenced U.S. culture and politics in the 1970s and 1980s.

Greatest Films of the 1970s

http://www.filmsite.org/70sintro.html

Includes plot summaries and background on the movies that helped shape the popular culture of the 1970s.

Internet Public Library, POTUS, Presidents of the United States Series: Jimmy Carter

http://www.ipl.org/ref/POTUS/jecarter.html

Basic facts about the Carter presidency and cabinet members, with links to specific events, biographies, historical documents, audio sources, etc.

National Organization for Women Website

http://www.now.org/history/history.html

This website includes extensive information on the modern women’s movement, the Equal Rights Amendment, abortion rights, and other topics.

State University of New York-Buffalo, Love Canal Website

http://ubib.buffalo.edu/libraries/projects/love_canal/

History and chronology of the toxic pollution of the Love Canal site and the public and governmental response, primary documents, maps, visual materials, etc.

Time magazine, Newsfile: Ronald Reagan

http://www.time.com/newsfiles/reagan

Cover stories, articles, essays, and photographs from *Time* documenting all stages of Reagan’s political career.

For additional readings please consult the bibliography at the end of the book.