

The 1980's



The Great Communicator

- Ronald Reagan defeated the incumbent Carter by a wide margin in 1980
- He delivered a feel-good message to the nation that made many feel patriotic again for the first time in a while



Ronald Reagan

- Promised large tax cuts
- A reduction in the size of Government
- And a return to American greatness



“Era of good feelings”

- Much like the 1950’s, people felt good about being Americans again
- Reagan convinced Americans that all was well – or would be well, just as soon as he got “big government off our backs”



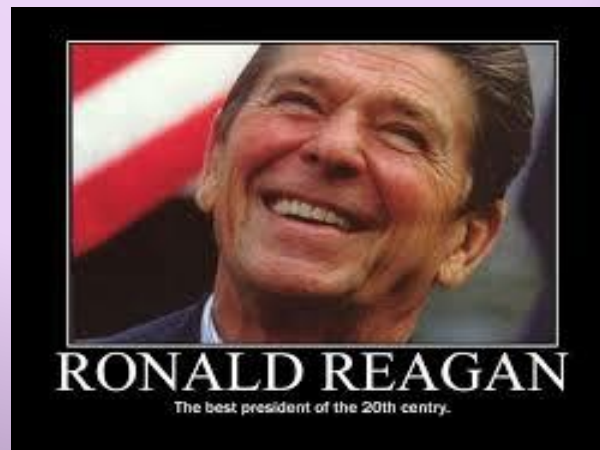
Assassination Attempt

- President Reagan had only been in office for two months when John Hinckley attempted to assassinate him
- Entering surgery with a bullet lodged in his lung, Reagan joked to the surgeons before going in for emergency surgery, “I hope you’re all Republicans”
- This attitude further boosted his popularity with the American people



One of the greatest ever?

- Most popular President since Ike Eisenhower
- Despite massively raising the national debt, failure to address the AIDS epidemic, and a potentially impeachable scandal, Reagan was and *still is* viewed as one of the greatest Presidents in recent generations



Teflon President

- Because of this he was dubbed the “Teflon President” – only the good seemed to stick and the bad slid off Reagan with ease



“Trickle down” Economics

- Based on supply side economics, a belief that the economy thrives by stimulating the production of goods and services (supply) because supply creates demand
- In other words, make it and people will buy it.





REAGANOMICS

"We told them the wealth would 'trickle down!'"

Balanced Budget

- Supply side economics demands that the government operate on a balanced budget, since deficit spending encourages destructive inflation (prices going up)



The Reagan Revolution

- 3 major policies
 - A reduction in government regulation of commerce and industry
 - Aggressive budget cutting (except military)
 - Aggressive tax cutting (mostly for the rich)



Why help the Rich?

- Trickle down economics says that by reducing the tax burden (and reducing regulations which cost corporations money) it will free up more money for investment, the benefits of which would ultimately “trickle down” to the rest of us in the form of more and better jobs



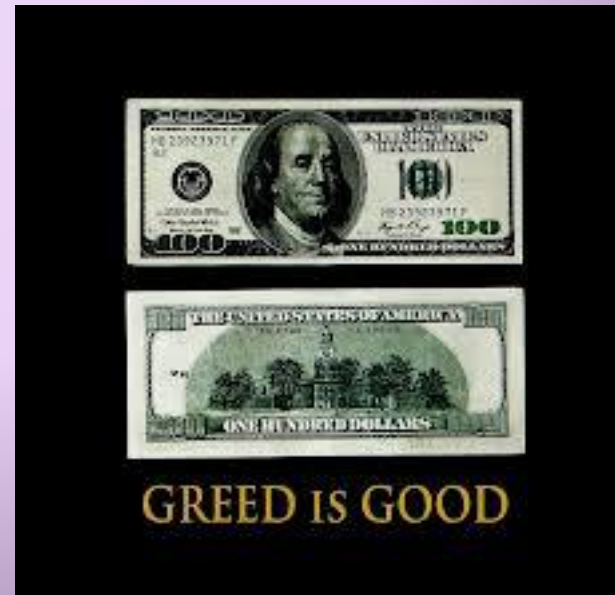
Voodoo economics

- Reagan also claimed that a reduction in tax rates would actually increase government revenues (more people working means more taxes coming in)
- George Bush, battling against Reagan in the Republican primaries, called this seemingly bizarre idea “voodoo economics”



“Greed is Good”

- This was the mantra for the 80’s
- As a result of “Reaganomics” a small number of people made a lot of money
- If you could afford to invest in the right companies you made money, but most people couldn’t



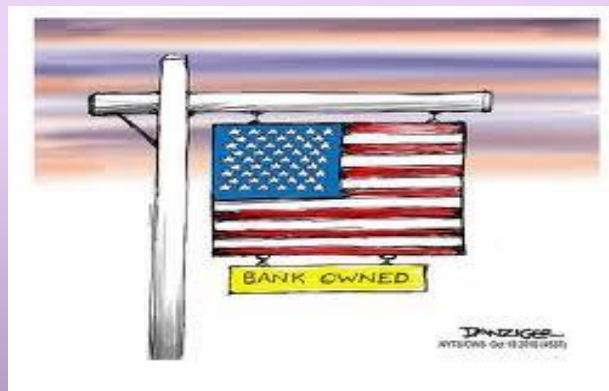
Big Corporations

- Most \$ was made not by supply side theory, but rather by mergers and corporations buying out one another
- This often resulted in job losses



The S & L Scandal

- Savings and loan banks (S&Ls) made mortgage loans to individuals
- Due to government deregulation these banks made risky investments and ended up losing billions in depositors' savings
- Because these banks were insured by the FDIC, taxpayers had to make up the billions of \$ lost when hundreds of S&Ls failed



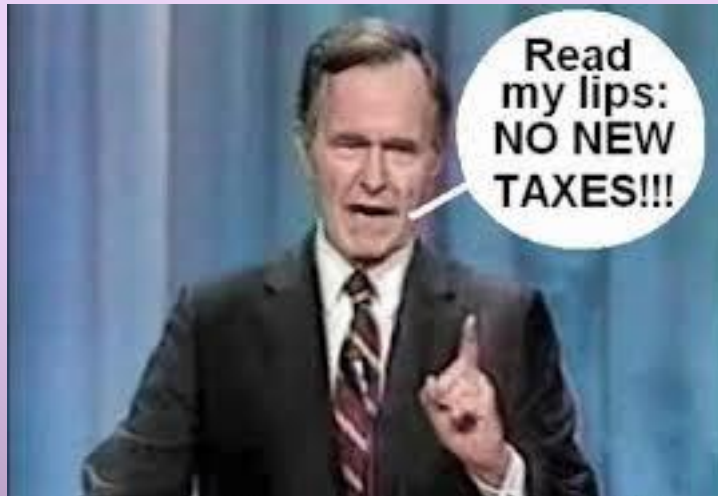
Black Monday

- On October 19, 1987 the Dow Jones plunged 508 points – double the fall in the 1929 crash that brought on the Great Depression
- Fortunately, the market gradually recovered, but the prosperous era of Reaganomics had come to an end



“Read my lips, No new Taxes!”

- George Bush had to eat his own words after making the famous pledge during the 1988 presidential race
- In order to start paying down the staggering debt he had to go against his pledge and raise taxes



HIV/AIDS

- Acquired Immune Deficiency Syndrome (AIDS) is caused by infection with the Human Immunodeficiency Virus (HIV) which attacks immune system cells, ultimately producing severe suppression of the body's ability to resist other infections
- Transmitted sexually, through the blood, and during birth from infected mothers to their children



“Gay Plague”

- The Reagan administration failed to respond to a growing AIDS epidemic that was seen as only affecting socially marginal groups – homosexuals and intravenous drug abusers (Hypodermic needles with infected blood)
- Reagan failed to even publicly mention the disease until 1987 – 6 years after health officials warned that it was a serious concern



Turning a Blind Eye

- As a result of cutting taxes, federal welfare funding was drastically cut back
- This led to a growing number of homeless people in cities and small towns across America



The “Evil Empire”

- While most programs had their funding cut, military and defense spending was dramatically stepped up
- The Soviet Union was declared an “evil empire” by Reagan that needed to be guarded against



More Nukes!

- The Cold War rhetoric was stepped up and a fresh deployment of American nuclear missiles began in Europe



Star Wars

- No, not the movie
- The name given to the Strategic Defense Initiative (SDI) which was an idea to create a shield against an intercontinental ballistic missile attack by destroying ICBMs before they began their descent



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- Not only was this plan far fetched and unlikely to actually work, it also would permanently cripple the nation with a cost of up to \$200 billion



Nuclear War?

- This violated the 1972 ABM (antiballistic missile) treaty between the U.S. and Soviet Union
- For the first time it promised to make a nuclear war survivable (as opposed to mutually assured destruction)



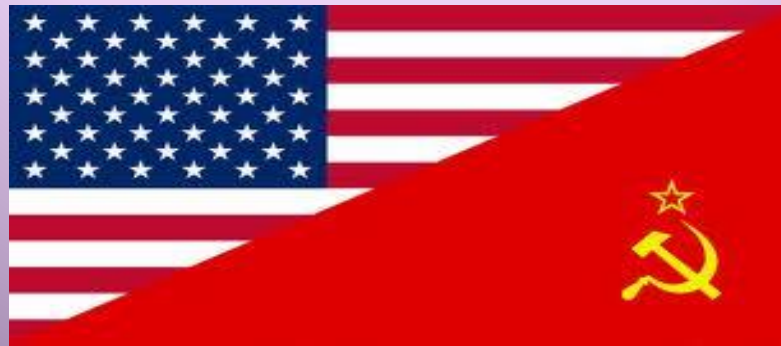
Mr. Gorbachev, Tear Down this Wall!

- As the Communist system of Government began to crumble, President Reagan made a stirring speech outside the Berlin Wall, calling out the Soviet leader to end the division of this city



Did we really *win* the Cold War or did the Soviet Union simply *lose*?

- Some would say that Star Wars and our increased defense budget (which quadrupled the national debt to \$4 trillion) was a brilliant strategy to wind the Cold War
- Others would say that Communism just naturally failed as a political system
- Either way the Cold War came to an end



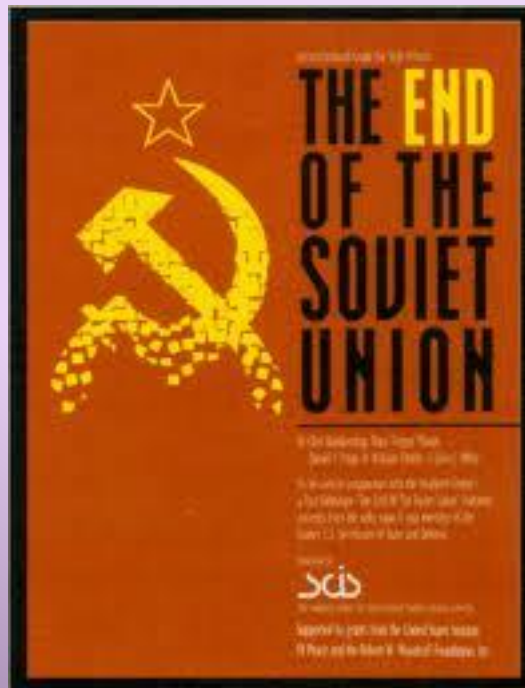
The Fall of the Berlin Wall

- In 1989, two years after his famous speech, ordinary Berliners, in the West and in the East, began chipping away at the wall, tearing it down piece by piece, as the Soviet Union merely looked on



End of the Soviet Union

- A couple years later (1991) the Soviet Union broke apart and ceased to exist – it was once again just Russia and a loose confederation of former Soviet states



The Iran-Contra Affair

- The U.S secretly sold weapons to our sworn enemy, Iran, in exchange for the release of American hostages held in war-torn Lebanon
- Because Iran was friends with Lebanon they could use their influence to free the U.S hostages that Lebanon was holding



The Plot Thickens

- A portion of the weapons profits had been diverted to finance so-called *Contra rebels* fighting against the leftist *Sandinista* government of Nicaragua in Cent. America
- As part of the ongoing U.S. policy of containing communism, Reagan supported the right-wing rebellion in Nicaragua



Unconstitutional?

- Congress specifically prohibited aid to the Contras
- The secret diversion of the secret weapons profits was blatantly illegal and unconstitutional
- A length investigation similar to Watergate took place and it eventually implicated many in the White House



Did Reagan know?

- Few people believed that Reagan didn't really know what was going on
- If he didn't then it made him look like an out of touch President who blindly let those below him do whatever they wanted
- He was never charged with criminal wrongdoing



Sandra Day O'Connor

- In a breakthrough for women's rights, Sandra Day O'Connor became the first woman justice of the Supreme Court in 1981

