The Depressing 1970’s

- By 1980 Americans were depressed and had low confidence in government
- The 1960’s, Watergate, Soviet invasion of Afghanistan and the Iranian hostage crisis, long gas lines made Americans wonder why they were so powerless
- Carter made the famous “Malaise Speech” in 1979 calling for Americans to conserve and blaming Americans for the problems.
- A growing conservative movement was gaining ground in the 1970’s that spelled trouble for the Democrats.

The 1980 election

- The conservative movement opposed liberal social and racial policies.
- They were against bussing, abortion, welfare, affirmative action, etc….
- Reagan personified that.
- He was youthful looking for 69 and positive
- He said the country needed a simpler time or low taxes, small government, conservative moral values, and a strong military.
- He won by a landslide with Vice President George Bush.
- Hours after the election the Iran hostages were returned.
Essential Questions
1. Why was America so depressed in 1980?
2. What did Carter do to worsen his position in 1979?
3. What was the conservative movement against?
4. What happened hours after the election of 1980?

The Reagan Revolution
- One word exemplified Reagan: Optimism
- In the 40’s and 50’s and actor
- Used to be a New Deal Democrat
- He was President of the Screen Actors Guild and promised to root communists out of Hollywood
- In 1964 he changed to be a Republican and denounced liberal Democrats.
- He became governor of California in 1966
- Reagan hated big government and high taxes, he was a conservative who took a strong stand against communist.

Reagan’s Conservative Support
- Reagan was part of the New Right
- The group was made up of conservative thinkers and Christian groups who opposed liberal
- The “New Right” was for smaller government, deregulation, smaller taxes, stronger military and prayer in school.
- They were against welfare, affirmative action, gay rights, abortion, and feminism.
- The “New Right” were led by Evangelical Christians like Jerry Farwell; he founded the Moral Majority.
- Reagan gave the New Right an eloquent voice and drew many Democrats to vote Republican: “Reagan Democrats”
A powerful Leader

- He used his **acting skills and charm** in his speeches.
- **Nancy Reagan**: Was a great first lady; advised Reagan and ran the White House; Also ran the “**Just Say No**” program.
- **His main Policies**: reduce the deficit, eliminate large government, eliminate welfare programs, cut taxes, deregulate business, increase military spending, and take a hard line with the Soviets.
- 1981 he **survived an assassination** attempt
- He took action in the **Air Traffic Controllers Strike** by firing those that struck claiming it posed a danger to the nation

Essential Questions

1. **What word described Reagan the most?**
   Why was it important?
2. **What was the “New Right”?** What did they support?
3. **Who were the biggest voices of the “New Right”?**
4. **List some of Reagan’s main policies?**

Reaganomics

- Reagan’s new economic plan had **2 goals**:  
  1. Reduce taxes to stimulate economic growth  
  2. Cut the Federal budget.  
- Reaganomics was based on **“Supply side Economics”: tax cuts** and business incentives stimulate investment: Investment would encourage economic growth which would result in increased goods and services  
- **Increased tax cuts** would put more money in peoples hands, they would invest and buy more to stimulate business, then business would grow and create taxes to pay of the debt.
Tax Cuts

- Tax dropped from 70% to 28% during Reagan’s years.
- Critics worried, the rich would just get richer and the money would never trickle down.
- Critics also worried how the budget would be reduced if military spending went up.
- Even Bush who ran against Reagan in the Republican primary called it “Voodoo Economics.”

Recession

- “Reaganomics” Did not quite work out the first two years
- 1981 and 1982 the worst recessions since the Great Depression
- But with tax cuts and heavy defense spending the budget soared in Reagan’s first years.
- By 1983 the recession wore off.
- But the budget continued to rise.
- 1985 Gramm-Rudman-Hollings Act: It required mandatory budget cuts to curb the deficit.
- Budgets were Reagan’s failure as President.

Essential Questions

1) How was Supply Side Economics suppose to help business?
2) Why were tax cuts important to Reagan? Who received most of the tax cuts?
3) Why did Bush call Reaganomics “Voodoo Economics”?
4) What was one of Reagan’s biggest problems as President?