

Downloadable Reproducible eBooks

Thank you for purchasing this eBook from <u>www.socialstudies.com</u> or <u>www.writingco.com</u>.

To browse more eBook titles, visit <u>http://www.socialstudies.com/ebooks.html</u>

To learn more about eBooks, visit our help page at <u>http://www.socialstudies.com/ebookshelp.html</u>

For questions, please e-mail <u>eBooks@socialstudies.com</u>

Free E-mail Newsletter-Sign up Today!

To learn about new eBook and print titles, professional development resources, and catalogs in the mail, sign up for our monthly e-mail newsletter at http://socialstudies.com/newsletter/

Creative Activities for Teaching Critical Thinking & Writing U. S. History: The 1980's



Stevens & Shea Publishers

Introduction

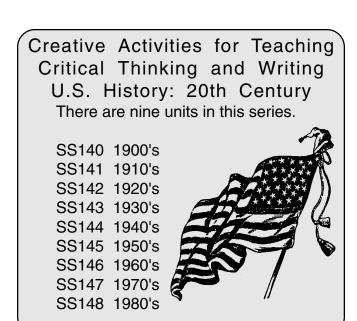
This unit emphasizes writing and critical thinking. There are three types of activities. The news stories, writing exercises and telegrams require students to evaluate, prioritize and write about historical events. They must **use** the information, rather than just memorize it.

The chronology and data analysis activities require students to detect trends and draw conclusions.

The viewpoints and issues activities present different views of the same event rather than just the single view often presented by textbooks. The critical thinking exercises that accompany these units require the students to evaluate the information.

Many of the activities deal with popular news stories of the decade that are usually not covered in textbooks.

This unit may be reproduced for use in the school that purchased it. All other forms of reproduction by any means and for any purpose are strictly prohibited without the written permission of the publisher.



Contents 1980's

Page

- 4 Chronology Logic
- 5-7 Chronology
- 8-10 Decisions

Tax cut Air controllers strike Grenada Philippines Libya South Africa

- 11-12 People and Terms Lists
 - 13-14 Crosswords

15-17 Viewpoints of Reagan's Domestic Policy

Liberal and conservative views.

18-20 Viewpoints of Reagan's Foreign Policy

Liberal and conservative views.

21-30 Issues

Decline of the middle class Education Vouchers South Africa Deregulation of Business Environment Housing Poverty Financial Institutions Federal Deficit Central America

31 Data Analysis Federal Deficits Trade Deficits

32-33 Critical Thinking

ISBN: 0-89550-289-5 Original copyright 1990

Stevens & Shea Publishers, Inc. P.O. Box 794, Stockton, CA 95201 (209) 465-1880

Chronology Logic

Events must be placed in chronological order. Each event has internal clues which place it in between other events. Students must read carefully and evaluate what they read.

Chronology

The major events of the decade are listed year by year. Students must categorize events, detect trends and decide on the ten most important events of the decade. Decisions

Major decisions of the decade are presented and students are to discuss and decide the best possible choice.

People and Terms

Students can categorize the people and decide who was the most important or influential in each category.

Crosswords

Puzzles reinforce the items on the people and terms lists.

Viewpoints

Events and personalities are viewed from two different points of view. A page of questions and activities emphasize critical thinking that accompanies the two viewpoints. Students should discuss and compare answers.

Issues

Major issues are presented from two points of view. Students must decide which they agree with the most. Students can write short essays stating their position.

Data Analysis

Data is presented for students to interpret and graph.

Critical Thinking

Students must critically evaluate statements about the decade, select the most precise and general statements, detect emotional words and write generalizations. Map Puzzle

Students must identify countries from the clues and locate the countries on a map.

Answers

	Page	
	4	Chronology Logic
		1. G 2. D 3. I 4. H 5. A 6. F 7. C 8. E 9.
۱		B.
)	8-10	Decisions
		Have students research what actually
		happened.
/	13	Crossword: People
ł		Across: 3. Jesse Jackson 6. Gorbachev 8.
		James Watt 11. Kemp 13. Bush 14.
		Boesky 15. Meese 16. Mondale. Down: 1.
ł		Gary Hart 2. Geraldine 4. Oliver North 5.
)		Regan 7. Pierce 9. Weinberger 10. Quayle
		12. Schultz.
	14	Crossword: Terms
)		Across: 1. NSC 5. deficit 7. Irangate 9.
-		perestroika 10. ERA 11. Sandinistas 13.
		Contras 15. boll weevils 16. Gramm
		Rudman. Down: 1. nuclear freeze 2. CETA
ł		3. deregulation 5. CIA 6. Star Wars 8.
		glasnost 9. PLO 12. supply-side 14.
		terrorists 17. MX.
)	15-20	Viewpoints
3		Students should compare and discuss
)		answers.
•	21-30	Issues
		Students should compare reports.
,	31	Data Analysis
f		Students should discuss and compare
)		answers.
-	32-33	Critical Thinking
		Students should discuss and vote on correct
J		answers. There are not always correct
ł		answers to these items.

Stevens & Shea Publishers, Inc. P.O. Box 794, Stockton, CA 95201 Phone: (209) 465-1880

Below are some of the major events of the 1980's. Read them carefully, and, using the clues offered, arrange them in chronological order beginning with the earliest.

A. Reagan is re-elected overwhelmingly to a second term defeating Walter Mondale and the first woman Vice-Presidential candidate, Geraldine Ferraro.

B. While the stockmarket had boomed throughout most of the Reagan years, toward the end of his last term the stockmarket crashed more dramatically than it had in 1929.

C. After the bombing of Libya, Reagan and the new Soviet leader Mikhail Gorbachev reach an agreement for eliminating intermediate range nuclear missiles. This is the first arms agreement requiring the destruction of missiles.

D. The day of Reagan's inauguration as president the American hostages held by the Iranians were released.

E. Shortly after Reagan's successful arms reduction agreement with the Soviet Union it was revealed that the Reagan administration had sold arms to Iran and used the profits to buy supplies for the Contras fighting to overthrow the marxist government of Nicaragua. The "Irangate" controversy was the most embarrassing crisis faced by Reagan.

F. The world had been plagued by terrorists. Midway through his second term the U.S. had gathered evidence that Libya had backed terrorists who bombed a Berlin nightclub killing Americans. Reagan ordered the bombing of the headquarters of the Libyan leader Moamar Qaddafi.

G. The American people were unhappy with the presidency of Jimmy Carter. They turned to the Republican Ronald Reagan who promised to get government off the backs of people and make the U.S. strong.

H. Keeping true to his promise of less government and less taxes Reagan proposes and Congress passes the largest tax cut in history. Reagan is recovered sufficiently from his gunshot wound to sign the measure into law.

I. Only two months after being sworn in as president, Ronald Reagan is shot in the chest by Warren Hinkley Jr. Reagan recovers but a policeman is killed in the attack.

Answers 1._____ 2. 3. 4._____ 5._____ 6. 7. 8. 9.

1980's

1980

•President Carter announces embargo against the sale of wheat to Russia and U.S. boycott of Olympics in response to Russia's invasion of Afghanistan.

•U.S. attempts a military rescue of hostages in Iran. Eight Americans are killed in the failed attempt.

•Mt. St. Helens erupts killing 25 and causing \$3 billion in damages.

•Ronald Reagan elected president.

•John Lennon, former Beatle, murdered by David Chapman, a former psychiatric patient.

1981

•Iranian hostages released minutes after Reagan sworn in as president.

•President Reagan shot in chest by John Hinckly Jr.

•First reusable space shuttle Columbia sent into space.

•Congress passes Reagan's tax-cut legislation. Largest tax cut in history.

•Federal air traffic controllers go on illegal strike after rejecting federal government's final offer. 13,000 controllers refuse back-to-work order and Reagan fires them.

•Reagan appoints first woman, Sandra Day O'Connor, to Supreme Court.

1982

•13 year-old lawsuit against AT&T settled. AT&T agrees to give up 22 regional phone companies.

•U.S. Senate votes to end busing for integration.

•Equal Rights Amendment defeated after ten year struggle for ratification.

•Hundreds of thousands protest nuclear arms in Central Park, New York City.

•Highest unemployment rates since 1940.

Directions

Use the chronology for the following activities.

1. Put the events into groups. Decide what categories you would put them into. For example, Irangate, U.S.S.R., business, etc.

2. What general trends do you see in the 1980's? Write a report. For example, What is the trend in foreign relations?

3. Decide what are the ten most important events of the 1980's. Tell why.

•Barney Clark receives the first artificial heart.

•Anne Gorsuch, head of Environmental Protection Agency, is cited for contempt of Congress for refusing to turn over documents to House investigating committee.

1983

•OPEC agrees to cut price of oil for the first time.

•President Reagan signs legislation protecting the social security system which was in financial trouble.

•Sally Ride became the first woman astronaut.

•The Soviet Union shot down a Korean airliner killing 269. The Soviets claimed that it was a spy plane.

•241 Marines and sailors on a peace-keeping mission in Lebanon are killed by a terrorist bomb.

•A U.S. military force invades the small island country of Grenada and topples the pro-marxist government. Cubans have been building a large runway which the U.S. fears will be used to bring supplies to the marxist Nicaraguan government.

1984

•Reagan withdraws U.S. Marines from Lebanon.

•Space shuttle Challenger launched. First humans fly free of spacecraft.

•It is revealed the CIA secretly mined harbors in Nicaragua.

•President Reagan visits China.

Reagan and George Bush overwhelmingly re-elected over Walter Mondale and Geraldine Ferraro, the first woman Vice-Presidential candidate.

1985

•Israeli troops begin withdrawal from Lebanon.

•Congress approves the controversial MX missile.

•E.F. Hutton, a stock brokerage firm, pleads guilty to 2,000 charges of fraud.

•Shiite Muslim extremists seize an airplane. They kill one American and hold 30 others hostage for 16 days.

•Palestinian terrorists seize an Italian cruise ship, Achille Lauro. An American is killed by the terrorists.

•Reagan and the new leader of Russia, Mikhail Gorbachev, meet for talks. The first meeting between Soviet and U.S. leaders in 6 years.

•Arab gunman seize an Egyptian airliner. 60 people are killed.

•Gramm-Rudman balanced budget law is passed by Congress in an effort to reduce the federal deficit.

•Palestinian terrorists set bombs in airports in Rome and Vienna. 20 are killed including some Americans.

•Biggest corporate merger outside the oil industry as General Electric buys RCA for \$6.28 billion.

1986

•Martin Luther King day observed for first time.

•Space shuttle Challenger explodes on take-off killing 6 astronauts and Christa McAuliffe, a teacher.

•20 year dictatorial rule of Ferdinand Marcos ends in Philippines. Corazon Aquino becomes president.

•Jean-Claude Duvalier, Haiti's dictator, flees country.

•U.S. planes bomb Libya in response to Libya's support of terrorists.

•U.S. officials announce that AIDS had killed 11,713.

•U.S. Congress overrides Reagan's veto and votes economic sanctions on South Africa to pressure South Africa to end racial segregation.

•Reagan appoints William Rehnquist Chief Justice of the Supreme Court and Antonin Scalia to the Supreme Court.

•Congress passes the Comprehensive Tax Reform Act to simplify the income tax laws.

•The U.S. and U.S.S.R. agree to ban medium-range missiles.

•It is revealed that the U.S. sold Iran arms and used the profits for supplies to the Contras trying to overthrow the Nicaraguan government.

•Ivan Boesky, a stockbroker, is convicted of insider trading and pays \$100 million fine.

1987

•Pres. Reagan produces first trillion dollar budget.

•Mikhail Gorbachev announces "Glasnost" or openess in proposing political and economic reforms for Soviet Union.

•Public hearings by Congress on Iran-Contra affair.

•Wall Street crashes on Oct. 19. Worst drop since the crash of 1929.

•U.S. Senate rejects Robert Bork, and Douglas Ginsburg, Reagan appointees to the Supreme Court.

•U.S. Senate finally approves Thomas Kennedy to Supreme Court.

•An Iraqui warplane hits U.S. ship with missile and kills 37 sailors. Iraq calls it an accident.

1980's

•Reagan and Gorbachev announce agreement to dismantle 1,752 U.S. and 859 Soviet missiles with a 300-3,400 mile range.

1988

•The President of Panama, Manuel Noriega, is indicted in the U.S. for drug smuggling.

•Soviets agree to withdraw troops from Afghanistan.

•1.4 million illegal aliens apply for amnesty.

•Worst drought in 50 years hits.

•NASA scientist warns Congress of Greenhouse Effect, a gradual warming of the Earth's atmosphere.

•U.S. warship in Persian Gulf accidentally shoots down an Iranian plane killing 290.

•Iran and Iraq end war.

•Vice-President George Bush defeats Michael Dukakis for president.

•Largest corporate take-over in history as RJR Nabisco is sold for \$25 billion.

1989

•Five Central American presidents sign accord for disarming Contras and Nicaragua promises free elections in 1990.

•Huge oil spill in Alaska from the oil tanker *Exxon Valdez*.

•First free elections held in Soviet Union.

•Col. Oliver North is convicted of lying to Congress in Iran-Contra trial.

•Speaker of the House Jim Wright resigns because of charges of ethics violations.

•Bush names Brazil, India and Japan as unfair trading partners. If countries do not drop unfair practices U.S. will retaliate in 18 months.

•80 nations agree to combat ozone depletion problem.

•Civil war in Angola, Africa, ends.

•Ayatollah Khomeini, Iranian leader, dies.

•Poland has first free elections and elects a noncommunist government.

•HUD scandal reveals that \$2 billion has been lost to fraud and mismanagement.

•South Africa chooses new president who promises gradual reforms to help blacks.

•Bush outlines "War on Drugs" which will cost \$8 billion.

•Bush signs bill to resuce S&L's which calls for \$166 billion over ten years. It is estimated that it will cost the taxpayers \$300 billion over 30 years.

•Hungary's communist party votes to change to a socialist party so that it can compete in free elections to be held in 1990.

•Large earthquake in San Francisco area.

•Communist East Germany allows East Germans to flee to West Germany. The Berlin Wall, built in 1961 to keep East Germans from leaving, becomes irrelevant. Democratic changes also take place in Czechoslovakia.

•U.S. invades Panama to overthrow the dictator, General Noriega. Panamanian soldiers killed an unarmed American to provoke the attack. General Noriega is wanted by the United States for drug trafficking.

•Romanians overthrow their Communist government.

1980's

Decisions

Directions

These are some of the important decisions faced by President Reagan during the 1980's. If you were president how would you have decided? Check a reference book to find out what decisions were made and why.

Tax Cut

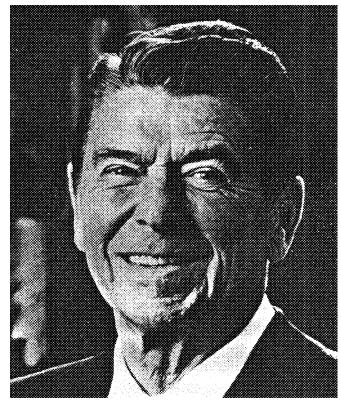
When Ronald Reagan took office the economy of the U.S. was in great difficulty. Interest rates were high and inflation was also high. The economy was not growing. He had to decide what to do about it. Reagan was in favor of a balanced budget, not spending any more than the government took in in taxes. He was also opposed to spending on welfare and favored a strong national defense.

Some believed that a large tax cut would put money in people's pockets to spend. Poorer people would spend the money on consumer goods which would in turn increase employment. Rich people would invest the money allowing businesses to spend money building more factories to produce more consumer goods. Some economists proposed the largrest tax cut in history, \$37.6 billion.

Others felt that a large tax cut would only increase the deficit, the government spending more money than it takes in. They also felt that the government could not afford to decrease essential services to the poor. They pointed out that if Reagan wanted to increase military spending, a tax cut would drastically increase the deficit.

If you were Reagan, would would you decide?

- A. Push for a large tax cut.
- B. Not make any changes at all.
- C. Don't increase military expenditures.



Ronald Reagan

Air Controllers Strike

Soon after Ronald Reagan became president in 1981 the air traffic controllers who are federal employees went on strike. Their union voted to reject the government's contract offer. The controllers argued that their job was highly stressful and very important. They guide passenger planes through the air around busy airports. A mistake could cost the lives of hundreds of people. It is illegal for federal employees to strike.

Air traffic controller is a skilled occupation. It requires many hours of training. When the traffic controllers went on strike, President Reagan had to take action.

He had two choices. Which should he take?

A. Offer the controllers more pay to go back to work.

B. Fire the controllers if they did not go back to work.

Grenada 1983

Grenada is a small island nation in the Caribbean. The leader of the island, Maurice Bishop, was closely allied with communist Cuba and the U.S.S.R. Bishop took power in a military coup and had not held elections. Cubans were constructing a 10,000 foot long runway on the island.

The island of 110,000 people, one of several in the Caribbean, was poor and had a high unemployment rate. It depended upon tourism for income. Bishop claimed the runway was for tourist traffic.

Some in the U.S. thought the runway was for military purposes. It was a perfect landing spot for Soviet planes bringing military supplies to the Caribbean. They felt that communist Cuba, which had 200 MIG fighters, was trying to expand its influence and control in the region. Some suggested military action against Grenada.

A. Invade the island and install a government that is anti-communist.

B. Give economic aid to the island.

C. Persuade Grenada to have free elections.

Philippines 1986

Ferdinand Marcos had ruled the Philippines for nearly 20 years. He was a strong anticommunist and a close ally of the United States. The U.S. has large military bases at Subic Bay and Clark Field. Marcos was a dictator who ruled under martial law. One of his leading opponents, Benigno Aquino, was murdered as he returned to the Philippines.

Marcos promised new elections in 1986. Many felt that the elections would be dishonest; that Marcos would make sure the votes were counted in his favor. His opponent in the elections was Corazon Aquino, the widow of Benigno. The elections took place and Marcos was declared the winner though most people felt that Aquino had won. Millions of people demonMarcos could have used the military to keep himself in power. However, some of the military were opposed to Marcos, feeling that his continued rule would only increase communist opposition. Marcos' regime was considered corrupt and inefficient. Poverty is widespread in the Philippines and there is an active communist guerrilla movement.

Some advised the U.S. to persuade Marcos to leave the country and offer him refuge in the U.S. Others believed that with all his faults Marcos was a reliable friend of the United States and it should continue to support him. Which would you decide?

A. Offer Marcos safety in the United States.

B. Continue to support Marcos.

Libya 1986

During the 1980's there were many terrorist incidents. The U.S. discovered what it always had suspected; that Libya under the leadership of Moamar Qaddafi supported many of the terrorists. U.S. intelligence picked up a phone conversation from Libya ordering a terrorist bombing of a Berlin nightclub that killed two and injured 200.

Reagan had promised that he would take action against governments that supported terrorist actions. What should he do in this case? Many Americans worked in the oil fields in Libya and the U.S. purchased oil from Libya. There were large sums of Libyan money in U.S. banks.

Some advisors suggested an air strike to bomb Qaddafi's headquarters. Others thought this might kill innocent people and European countries refused to allow U.S. bombers to fly over their territory to make such a strike. What should Reagan do?

A. Order the bombing of Libya.

B. Order Americans to leave Libya and refuse to buy oil from the country.

C. Freeze Libyan assets in U.S. banks.

South Africa 1986

South Africa follows a policy of apartheid which is legalized segregation. A few million whites have all of the power and most of the wealth in the country. 27 million blacks are denied any voice in the government, have few rights and live in segregated areas. Apartheid began in the 1940's. During the 1980's African-Americans began a series of protests. The South African government used violence to suppress the protests.

Congress passed legislation to impose economic sanctions on South Africa to force the government to change its segregationist policies. Under the legislation the U.S. would refuse to trade with or invest in South Africa. Many Americans supported sanctions.

Some of the President's advisors cautioned Reagan that the African National Congress, the leading black group in the country, has many communists in it and that because of tribal conflict, giving black Africans political power could result in chaos. South Africa is the most prosperous country in Africa and has many important minerals that the U.S. needs.

What should the President do?

- A. Support sanctions
- B. Veto Congress' bill.

Panama and General Noriega

In December 1989, 22,000 soldiers invaded Panama. The objective was to capture General Manuel Noriega, the dictator of Panama. In 1987 Noriega had been indicted for drug trafficking. Panama is next to Colombia and Noriega, in return for bribes, allowed Colombian drug cartels to ship cocaine through his country. Panamanian banks also provided a place for drug dealers to invest their money.

In addition, in 1987 Noriega overturned the first free elections the Panamanians had had in years. Noriega threw out the results of the election, had the people who won the election beaten up, and installed himself as "maximum leader."

In early December Noriega had his "rubber stamp" legislature declare war upon the U.S. An unarmed U.S. soldier in civilian clothes was stopped by Noriega's soldiers and killed. Another serviceman and his wife were beaten by Panamanian soldiers.

Since Noriega's indictment in the U.S. for drug trafficking, the U.S. had imposed economic sanctions against Panama in an attempt to force him out. They had not worked. The Organization of American States also sent representatives to Panama to persuade Noriega to leave the country. He ignored them.

Some advisors thought the situation in Panama was rapidly deteriorating and a threat existed to the U.S.-run Panama Canal. The Canal was guarded by 12,000 U.S. troops. They recommended military action to capture Noriega and install the elected officials who were denied office.

Others cautioned that military action would not be well-received by Latin American countries. The U.S. has had a long history of military intervention in Central America, and the countries of the region resent it. They advised that sooner or later Noriega would be replaced.

A third choice was to send in a small group of commandos to capture Noriega.

If you were president, what would you decide to do?

A. Intervene militarily with a large force. B. Wait.

C. Conduct a surgical strike with a small commando unit.

Ronald Reagan

Former governor of California. Elected president in 1980 and in 1984. Conservative Republican. When Reagan was a movie actor he was a liberal democrat who was president of the Screen Actors Guild, a labor union.

George Bush

Reagan's Vice-President. Has a long record of public service including Congress and directorship of the CIA. Elected president in 1988. A Republican who is generally considered to be more moderate than Reagan.

Daniel Quayle

A young senator from Indiana. He was Bush's surprise choice as Vice-President.

Walter Mondale

Vice-President under Jimmy Carter. Opposed Reagan in 1984.

Geraldine Ferraro

Mondale's pick for Vice-President. First woman to be chosen. A Congresswoman from New York. It turned out that her husband had been in trouble with the law over illegal business practices.

Michael Dukakis

Governor of Massachusetts who opposed Bush in the election of 1988.

Samuel Pierce

A Reagan appointee as Secretary of Housing and Urban Development (HUD). Did not become widely known until after he left office when a congressional investigation discovered hundreds of millions of dollars in giveaways to wealthy Republican supporters.

Edward Meese

Reagan's close friend and Attorney General. He resigned amidst accusations of influence peddling and accepting gifts.

Donald Regan

Reagan's not-too-popular chief-of-staff. Abruptly fired by Reagan. Among the many who disliked him was Nancy, Reagan's very protective wife. Regan didn't like her either.

James Baker III

Close friend of Reagan. Served as Secretary of the Treasury under Reagan and as Secretary of State under Bush.

Mikhail Gorbachev

The new Soviet leader who is supporting more freedom in the Soviet Union and disarmament. Very popular among Europeans and Americans.

Col. Oliver North

The key and controversial figure in Irangate. Convicted for lying to Congress about the sale of arms to Iran. Many view him as a patriot who did what he had to do to fight communism. Others take a much dimmer view of his personality and actions. A Marine Corps officer.

Gary Hart

A two-time candidate for the Democratic presidential nomination. Considered to be liberal and in the Kennedy tradition. His weakness for philandering ruined his reputation and his chances. Jesse Jackson

Has become the main spokesman for African Americans. Ran for the Democratic nomination in 1984 and 1988. Credited with registering large numbers of black voters in the South that enabled the Democrats to take control of the Senate. Jack Kemp

A conservative Republican congressman who ran for the Republican nomination in 1988. A former football star, he is Secretary of HUD and in charge of cleaning up the corruption in the department.

Caspar Weinberger

Reagan's Secretary of the Defense. He led Reagan's defense build up.

George Shultz

Reagan's colorless Secretary of State.

James Watt

Reagan's controversial Secretary of the Interior. He had a habit of saying things that angered many Americans. Forced to resign.

Ivan Boesky

A Wall Street stockbroker convicted of illegal stock trading. Fined \$100 million and sent to prison. **Michael Milkin**

A stockbroker indicted for illegal stock trad-

ing.

General Manuel Noriega

Dictator of Panama indicted in the United States for drug trafficking. Overthrown by the U.S. invasion in December, 1989.

Glasnost

Mikhail Gorbachev's policy of "openness." The policy is designed to give Russians more freedom in politics and economics at home.

Perestroika

Gorbachev's three part policy of improved relations with the U.S., a reduction of arms, and economic and political reforms at home.

Star Wars

Reagan's plan for preventing nuclear attack. Lasers, or some other devices, mounted on satellites will shoot down nuclear missiles before they reach the United States.

Contras

A group of revolutionaries fighting to overthrow the government of Nicaragua. Supported by Ronald Reagan.

Sandinistas

The political party in power in Nicaragua. They came to power after overthrowing the longtime Somoza dictatorship. Strongly supported by the U.S.S.R. and Cuba.

PLO

Palestine Liberation Organizaton. Led by Yassir Arafat, it is dedicated to regaining the land that the Palestinians have lost to Israel over the years. The PLO has conducted guerrilla raids upon Israel. It has several offshoots which conduct terrorist raids against innocent people throughout Europe and the Middle East.

Shi'ite Moslem

A faction of the Moslem religion which believes in traditional values. The government of Iran is ruled by Shi'ite Moslems. The other group of the Moslem religion is the Sunni. They are more accepting of modern ways.

Supply-side economics

The economic philosophy adopted by President Reagan. It argues that increased private spending will increase jobs, investment and economic growth.

Irangate

The nickname for the scandal involving the NSC and support for the Contras. To avoid asking Congress for money to supply arms to the Contras, military equipment was sold to Iran. The profits were used to buy arms for the Contras. This was done in secret.

NSC

National Security Council. Part of the White House operations that advise the president on foreign policy matters. Col. North worked for the NSC which was conducting secret operations to help the Contras.

"Boll weevils"

Conservative Democratic Congressman who generally supported Reagan's program of cuts in domestic programs and expanded military spending.

CETA

Comprehensive Employment and Training Act. A program to train the unemployed and put them to work.

Deficit

Spending more than you take in. The U.S. government spends more than it receives in taxes. These deficits climbed dramatically during the 1980's as the federal government cut taxes and increased military spending.

Deregulation

Reagan's program of reducing the amount of government control over business.

MX missile

A long range missile that Reagan wanted built. The missile is to be mounted on trucks or railroad cars and be moved around the country. **Gramm-Rudman**

A law sponsored by Senators Phil Gramm and Warren Rudman that requires a balanced budget.

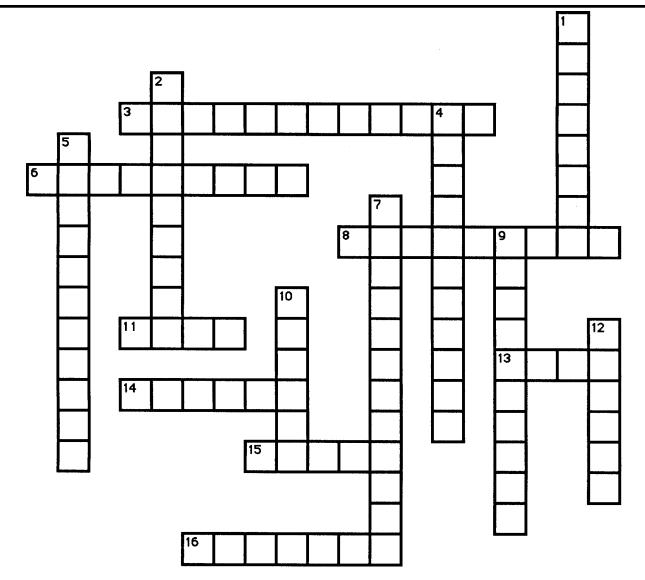
Nuclear Freeze

A movement of the 1980's that protested the building of more missiles and nuclear warheads. **ERA**

Equal Rights Amendment. The amendment made all forms of discrimination against women illegal. This amendment failed to win approval of the states within the required ten years. Reagan opposed it.

CIA

Central Intelligence Agency. The chief information gathering office of the government. It's role is to be limited to spying on foreign governments. However, it has been caught spying on American citizens and conducting secret operations in other countries to overthrow governments.



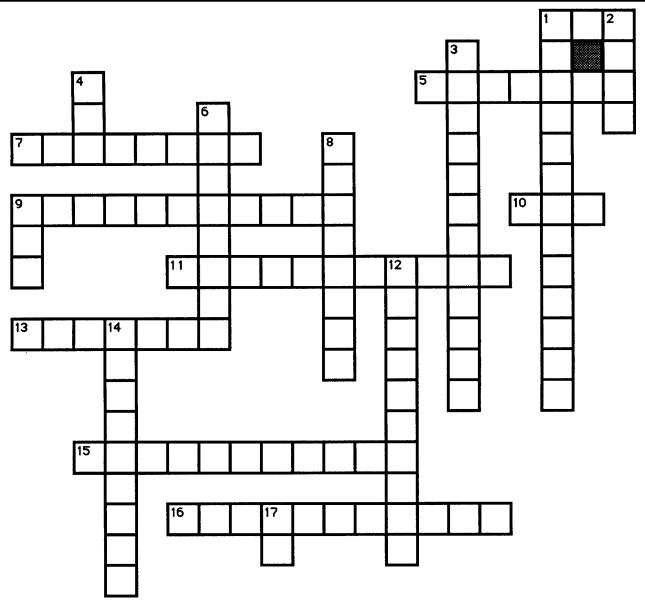
Across

- 3. This person emerged as the leading spokesman for African Americans (2 words).
- 6. This new Russian leader changed relations with the U.S.
- 8. Reagan's controversial Secretary of the Interior (2 words).
- 11. A conservative Republican in charge of cleaning up HUD scandal.
- 13. Reagan's VP.
- 14. Ivan _____ was the first convicted in Wall Street scandals.
- 15. Reagan's Attorney General.
- 16. Ran against Reagan in 1984.

Down

5.

- 1. A Democratic presidential aspirant who had problems with women (2 words).
- 2. The first name of Mondale's running mate.
- 4. Chief figure in Iran-Contra scandal (2 words).
 - Reagan's chief-of-staff who was fired (2 words).
- 7. The head of HUD who wasn't watching while millions were stolen (2 words).
- 9. Reagan's Secretary of Defense.
- 10. Bush's controversial Vice-President.
- 12. Reagan's quiet but effective Secretary of State.



Across

- 1. National Security Council (initials).
- 5. This increased dramatically during the 80's.
- 7. The scandal that involved selling arms to Iran.
- 9. The new Soviet policy of encouraging economic reforms.
- 10. This failed approval to become an amend ment (initials).
- 11. The ruling party of Nicaragua.
- 13. The group attempting to overthrow the government of Nicaragua.
- 15. Democratic congressmen who voted for Reagan's programs (2 words).
- 16. A law that requires cuts in the budget for deficit reduction (2 words).

Down

- 1. Movement to end the arms race (2 words).
- 2. A program to provide jobs and training (initials).
- 3. This is what Reagan wanted to get government off the backs of people.
- 4. It gathers intelligence.
- 6. Reagan's program to protect against nuclear attack (2 words).
- 8. The Soviet policy of openness.
- 9. A group that fights for the liberation of Palestine. (initials).
- 12.This kind of economics was popular under President Reagan (2 words).
- 14. One who is willing to kill innocents for political gain.
- 17. This is a missile that Reagan wanted.

1980's

Directions

Read both viewpoints on the following pages and answer the questions below.

General questions for both viewpoints

1. Which viewpoint favors Ronald reagan?

2. What evidence is used to indicate Reagan was a good president?

3. Which viewpoint is critical of Reagan?

4. What evidence is used to indicate Reagan was not a good president?

5. What events are mentioned in the favorable viewpoint that are not mentioned in the unfavorable viewpoint?

6. What events and generalizations are mentioned in the unfavorable viewpoint that are not mentioned in the favorable viewpoint?

7. Are there any generalizations which are agreed upon by both viiewpoints? If any, what are they?

Valid generalizations

Which statements are valid generalizations? A generalization is a conclusion based on the facts. It may also include a value judgment or opinion. A valid generalization is supported by the facts. An invalid generalization is not supported by the facts and tends to be more of an opinion. Mark (V) for valid and (I) for an invalid generalization. Use (CT) if you can't tell.

1. _____ Reagan was very popular.

2. _____ Reagan did nothing to prevent unfair competition from other countries.

3. _____ Reagan's policies harmed the poor.

4. _____ Reagan helped the poor.

5. _____ The economy improved under Reagan.

Assumptions

An assumption is something that is believed to be true without proof. Our values and beliefs influence our generalizations about things. This is called bias. Often an author's values and assumptions are not openly stated. Which statements would the author of Viewpoint A agree with? Mark an (A) for those that you think the author would agree with and a (D) for those you think the author would disagree with. Use (CT) if you can't tell.

1. _____ A good government attempts to protect the environment.

2. _____ It is good to have minorities and women in government.

3. <u>Having a prosperous economy is</u> desirable even if not everyone benefits.

4. _____ The U.S. should be strong militarily.

5. _____ It is OK for a country to go into debt.

Emotional words

Certain words are used to influence the reader's feelings or show the author's biases. Identify these words in the statements below. Underline the words or phrases.

1. _____ Reagan accomplished a dramatic change in government.

2. _____ Reagan's program was extremely harmful to minorities.

3. _____ Reagan was a skillful manipulator of public opinion.

Ronald Reagan's election in 1980 embarked the U.S. government on a new path. When Reagan took office the country was suffering from a high rate of inflation, high interest rates and a high unemployment rate. Reagan, with the support of Congress and the American people, took a series of measures that successfully solved these problems. By the end of Reagan's two terms in office, inflation had been reduced by more than 50% and interest rates were cut by nearly 50% and the unemployment rate was the lowest it had been in 20 years.

Reagan first sought a cut in taxes. The President's economic advisors argued that a cut in taxes especially in the higher income brackets would increase spending and stimulate investment and expansion of factories, which, in turn, would create more employment. Reagan promised the American people to reduce the amount of money spent by the Federal government. The tax cut was a tremendous boost to the economy.

In 1987 Congress continued tax reform by passing the most radical change in the income tax law in history. The act simplified taxes, eliminating many loopholes that people used to avoid paying taxes. It established a minimum corporation tax and set the maximum tax rate at 28%.

Another pressing problem was the Social Security system, which was in danger of collapse. Because of the increasing number of retired people, not enough money was paid in to support the system. Reagan signed a bill in 1983 which put the Social Security system on a sounder financial footing.

Another key element of Reagan's program was to reduce the amount of control the Federal government had over people's lives. Reagan sought to deregulate the economy. He had Congress remove regulatory controls on airlines and broadcasting. Less regulation provided for more competition and lower fares.

Reagan also sought to build up U.S. military power. U.S. military power had been allowed to decline during the 1970's after the

Vietnam War. Reagan felt that the military weakness of the U.S. allowed other countries to take advantage of the U.S. Reagan increased the amount spent on the military. New weapons systems were introduced to improve the military. Increased military expenditures and the failure of the Democratically controlled Congress to reduce expenditures on social programs produced increasing deficits.

Reagan attempted to reduce spending and produce a balanced budget. Reagan blamed Congress for maintaining social programs that needed to be cut. Reagan wanted the power to cut items from the budget passed by Congress to balance the budget. Congress refused to give Reagan the power. Instead it passed the Gramm-Rudman Act in 1985 which required the budget to be automatically cut if it did not reduce the budget deficit.

Reagan sought to reform the welfare system by requiring those who receive welfare to seek jobs. The most sweeping change in welfare reform since the Depression passed Congress in 1988. Reagan also pressed for legislation to provide catastrophic health insurance for Medicare recipients. Medicare, which was passed in the mid-1960's, did not provide coverage for serious illness.

Reagan remained popular throughout his two terms in office. He was reelected by an overwhelming majority in 1984, defeating the Democratic candidate Walter Mondale. Reagan accomplished a dramatic change in government. While military spending increased, the amount the federal government spent as a percentage of the Gross National Product declined. While deficits increased, the economy continued to thrive. More Americans considered themselves to be much better off at the end of Reagan's term than at the beginning.

Reagan's successes in domestic policy were paralleled by his successes in foreign policy.

When Ronald Reagan took office in January 1981 he began an economic program that benefited the wealthy and was extremely harmful to the poor, reversing many of the advances that had been made since the mid 1960's.

By July 1981 Congress passed the largest tax cut legislation in history. Taxes were reduced by \$37.6 billion in 1982 and over five years by \$750 billion. The problem with the legislation was that it benefited primarily wealthy income groups.

Reagan showed his dislike for labor in August when he refused to continue negotiations with air traffic controllers who had been on strike. Reagan fired all 13,000 air traffic controllers.

Reagan's policies started a recession in 1982. Unemployment climbed to 10.4%, the highest it had been since 1940. By the end of the decade unemployment had been reduced to about 5%. However, many of the jobs that were created were low-paying minimum wage jobs. During the decade the percentage of people making middle class incomes shrunk as more people dropped to the poverty level.

Part of the reason for the reduction of good paying jobs was the competition of foreign countries such as Japan, Taiwan, Brazil, and Korea. Reagan followed a policy of free trade, allowing foreign goods to be imported into the United States without restriction. He opposed attempts by Congress to restrict the import of foreign goods from countries that refused to buy American goods.

Reagan cared little for the poor and minorities. He attempted at every turn to cut social programs while he increased military spending. During the Reagan administration homelessness increased. The decline in money spent on public housing and the loss of good paying jobs put many families on the street. The National Coalition for the Homeless estimated that there were 3 million homeless at the end of the 1880's. Reagan claimed there were only 300,000. While the income of blacks increased during the 1980's the gap between the incomes of whites and blacks continued to widen. By the end of the decade a large percentage of blacks were suffering from a lack of educational success, increasing crime in black communities, a rise in children born to unwed mothers, and a rapid increase in drug related crime.

The Reagan administration created a climate for greed and scandal. The first scandals appeared on Wall Street. Ivan Boesky, a billionaire stockbroker, was convicted for insider trading. Later Michael Milkin, a specialist in junk bond trading, was arrested for insider trading. Boesky and Milkin thrived on a large corporation taking over smaller ones. Reagan approved of consolidating control of business in the hands of fewer and fewer as he turned away from antitrust enforcement began during the era of another Republican, Teddy Roosevelt. Scandal also crept into the Reagan Administration.

The Wedtech scandal caused embarrassment for the Reagan administration. Attorney General Ed Meese was accused of using his influence to direct government contracts to the Wedtech Corporation which was engaged in defense contracting. Several Congressmen were convicted for bribery in the Wedtech case. Meese resigned his post in the face of the Wedtech and other charges.

The most harmful action of Reagan was to promote the deregulation of the financial industry. Deregulation of savings and loan institutions in 1982 allowed savings and loans to invest in a variety of risky investments. Dishonest and incompetent managers ignored the rights of depositors. Estimates of what it will cost the taxpayers in the future is in the hundreds of billions of dollars.

During the Reagan years the rich became richer and the poor, poorer. The Middle Class began to disappear. Important social needs were not met, and greed, not the public good, was the order of the decade.

1980's

Directions

Read both viewpoints on the following pages and answer the questions below.

General questions for both viewpoints

1. Which viewpoint favors Ronald Reagan?

2. What evidence is used to indicate Reagan was a good president?

3. Which viewpoint is critical of Reagan?

4. What evidence is used to indicate Reagan was not a good president?

5. What events are mentioned in the favorable viewpoint that are not mentioned in the unfavorable viewpoint?

6. What events and generalizations are mentioned in the unfavorable viewpoint that are not mentioned in the favorable viewpoint?

7. Are there any generalizations which are agreed upon by both viewpoints? If any, what are they?

Valid generalizations

Which statements are valid generalizations? A generalization is a conclusion based upon the facts. It may also include a value judgment or opinion. A valid generalization is supported by the facts. An invalid one is not supported by the facts and tends to be more of an opinion. Mark (V) for valid and (I) for an invalid generalization. Use (CT) if you can't tell.

1._____Reagan's foreign policy was directed by his strong stand against communism.

2.____Reagan did not understand much about the world.

3._____Reagan supported right-wing dictators because they were anti-communist.

4.____Reagan's foreign policy was not effective.

5.____Reagan's military buildup forced the Soviets to negotiate disarming missiles.

Assumptions

An assumption is something that is believed to be true without proof. Our values and beliefs influence our generalizations about things. This is called bias. Often an author's values and assumptions are not openly stated. Which statements would the author of Viewpoint A agree with? Mark an (A) for those that you think the author would agree with and a (D) for those you think the author would disagree with. Use (CT) if you can't tell.

1._____ A strong military is essential to having an effective foreign policy.

2._____The problems of foreign policy today are not military problems but environmental and trade problems.

3._____The U.S. should be the number one power in the world.

4._____The U.S. should not be involved in many places in the world because they do not directly affect our country's interests.

5._____The U.S. should punish countries that do not operate in a way that pleases the U.S.

Emotional words

Certain words are used to influence the reader's feelings or show the author's biases. Identify these words in the statements below. Underline the words or phrases.

1. Reagan was a gunslinger in foreign policy.

2. Reagan was extremely effective in dealing with the communists.

When Reagan took office in 1981 the U.S. was militarily weak and had little respect in the world. The Iranians flaunted American weakness by holding 63 hostages for more than a year. Reagan wanted to restore U.S. prestige and power in the world.

The U.S. military had been allowed to decline in the years after the Vietnam War. Reagan wanted to double military spending. Under Reagan military spending went to 32% of the federal budget in 1984. Under Carter it had been 24%. Reagan pushed for the construction of the B-1 strategic bomber and the MX missile. He also called for the building of 311 Pershing II missiles which could strike Russia in 4 to 8 minutes and wipe out their command posts without warning. He increased the production of nuclear warheads. He wanted to add four new army divisions and 720 tanks. He proposed spending \$100 billion to increase the size of the navy.

In 1983 Reagan radically changed U.S. strategic policy in his famous "Star Wars" speech. Reagan wanted money to develop a system to defend the U.S. against a Soviet missile attack. The Star Wars system would cause Russian missiles to be ineffective. Reagan offered to share the Star Wars system with the Russians so that both countries could be protected from nuclear war.

Reagan's rapid military build-up with new and more effective missiles had an effect upon Soviet policy. They recognized that the U.S. was committed to maintaining an effective defense against the Soviets.

With the emergence of a new Soviet leader in 1986 disarmament talks began between the U.S. and Soviets. On December 8, 1987 Gorbachev and Reagan signed an agreement to dismantle all U.S. and Soviet missiles with a range of 300 to 3,400 miles. Talks continue to dismantle longer range missiles.

While critics of Reagan attacked his administration for being warlike, the U.S. gained power and influence in the world that promoted

peace and democracy. The presence of the U.S. Navy in the Persian Gulf to protect ships from Iran and Iraq who were at war eventually helped stop the war between the two countries. The bombing of Libya helped reduce the actions of terrorists. The arming of the Contras forced the Nicaraguan government to have free elections. Fighting in Angola stopped.

Democracy also spread throughout the world. The U.S. helped establish a democratic government in the Philippines. Former dictatorships in Chile, Haiti, El Salvador and Argentina promised new elections. The Soviets were allowing their people more freedom. The Eastern European countries, Poland and Hungary, held elections and elected non-communists to the government. East Germans also are demanding elections and an end to communist rule.

Increasingly during the 1980's international trade was an important problem. Beginning in the 1970's the U.S. began to import more foreign goods than it sold. The U.S. was running a trade deficit. Some American industries wanted Congress to pass legislation protecting their industries from foreign competition. Reagan resisted such efforts, realizing that if the U.S. erected trade barriers to foreign products, other countries would retaliate, and that a world-wide reduction in trade, jobs and income could result. Reagan insisted upon free and fair trade and the U.S. government negotiated with other countries such as Japan, Korea and Brazil to follow the rules set down in the General Agreement on Tariffs and Trade.

Reagan's foreign and defense policies, while controversial at home, have been highly successful in bringing peace, democracy and increasing prosperity throughout the world.

Questions

1. What is the main point of the article?

2. What evidence does the author use to support her main point?

President Reagan had no foreign policy. He did not have a plan for solving the problems of areas of the world. Reagan had two responses to world problems. If the communists favored it, oppose it; and, if a foreign government did not agree with the United States, overthrow it.

Reagan had no policy in Africa except for blind "anti-communism." One of the key trouble spots in Africa is South Africa where a minority of whites rules over and exploits a majority of blacks.The U.S. Congress attempted to put pressure on South Africa to end discrimination against blacks by placing economic sanctions on the South African government. The U.S. would refuse to trade with South Africa. Reagan vetoed the measure.

In the Middle East, Reagan failed to pursue the Camp David peace agreement that Jimmy Carter arranged between Israel and Egypt. The U.S. tried to play a "peace keeping" role. U.S. Marines were sent to Lebanon which was torn apart by fighting. 241 Marines were killed by a bomb when they were placed in an exposed position. Later Marines were withdrawn. Navy ships were also sent to the Persian Gulf to protect shipping from attacks from Iran and Iraq. One U.S. ship was attacked and 39 sailors killed.

Reagan carried on in Central America in the tradition of "gun boat" diplomacy started early in this century by Roosevelt, Taft and Wilson. Latin American countries have resented the U.S. using its overwhelming military and economic power to tell small, weaker Latin Amercan countries what to do. During the Carter administration the U.S.-backed dictatorship of Anastacio Somoza in Nicaragua was overthrown. A group called the Sandinistas took power.

Reagan supported a group of former Somoza supporters called the "Contras." Reagan asked Congress for money to supply the Contras. At first Congress supplied the money. When Congress was not happy with the Contras it refused to provide the funds that Reagan wanted. Reagan's National Security staff created a system of selling arms to Iran and taking the profits to buy arms to support the Contras. This was done in secret to avoid Congressional scrutiny.

Reagan used military force to overthrow the government of Maurice Bishop in Grenada. The Bishop government was pro-Marxist and Cubans were helping the government build a large runway. The Reagan administration feared the runway would be used to bring supplies to the Sandinistas. A force of Marines and Rangers was sent to the island on the pretext of rescuing U.S. medical students attending school there.

Reagan also ordered the bombing of and economic sanctions against Libya when it was discovered that Libya was supporting terrorist operations. The attempt to kill the leader of Libya in a bombing attack failed.

Reagan's greatest failure was perhaps in international trade. The United States continued to import far more than it exported during the decade. Millions of manufacturing jobs were lost to foreign competition. Reagan preached the virtues of "free trade." He argued that tariffs to protect American industry would result in other countries barring American goods and an eventual loss of jobs.

Reagan's foreign policy did not recognize the economic, political and social needs of Africa, the Middle East or Central America. Rather than taking the side of democratic reform and social justice, Reagan supported anti-communism.

Questions

1. What is the main point of the article?

2. What evidence does the author use to support her main point?

Read the background and the solutions. Decide which view you agree with the most.

The issue is, what should the U.S. government do to prevent the decline of the Middle Class?

Background: Decline of the Middle Class

The 1980's saw the continuation of a trend that began in the 1970's. While there was an increase in jobs many of these jobs were low paying positions in the service industries. There was also an increase in high paying jobs in the scientific-technical area. High paying jobs in manufacturing disappeared at a high rate. The result was a decline in the middle income group.

Jobs require more technical skill. In 1970 a male high school graduate 30 years old made \$24,000. A college graduate made \$27,000. By 1989 a male high school graduate made \$17,000 (adjusted for inflation) and a college graduate still made \$27,000.

There was also a change in the American family. More and more families were being headed by single women. In 1970 1 in 10 families was headed by a mother. In 1989, 1 in 5 was headed by a mother. In most of these cases the mothers held low-paying jobs.

Compounding the problem was a decline in the amount spent on welfare. From 1975 to 1989 there was a 35% reduction in welfare. This meant that increasing numbers of children were growing up in homes below the poverty line without fathers.

Many blame the increasing competition from foreign countries for the loss of manufacturing jobs which do not require a high degree of skill but pay well. The auto and steel industries have been particularly hard hit. Some labor unions and manufacturers have asked Congress to raise trade barriers to protect these jobs.

Others have said that the American economy must adjust to world-wide competition and that workers must change and upgrade their skills if they want high paying jobs.

Solution A

Increase tariffs on goods imported into this country that threaten certain industries.

Prevent U.S. companies from exporting jobs by building manufacturing plants in other countries or make them pay for the retraining of workers who lose their jobs in the U.S.

Welfare programs must be increased to improve the standard of living of those living below the poverty level.

Solution **B**

Increasing tariffs will only lead other countries to do the same. The result could be a loss of jobs in the United States as exports decline. Maintain free trade.

Schools and businesses must be encouraged to provide better trained workers.

There is actually an increasing number of jobs in the U.S. Welfare programs should be changed to motivate people to take advantage of existing jobs.

Read the background and the pro and con arguments. Decide which view you agree with the most.

The issue is, should the Federal government promote programs that give parents choice in the schools they send their children to?

Background: Education Vouchers

Historically, education financing had been left to the states. The first large-scale program to provide aid directly to students was the GI Bill after World War II. This program paid veterans to attend college and millions took advantage of it providing large numbers of educated people to fill jobs in the expanding economy of the 1950's. President Eisenhower expanded the Federal government's role in financing education. The National Defense and Education Act provided improved science and math teaching. Most of the money went to colleges.

Under President Johnson support for education increased. Johnson created the Headstart preschool program for disadvantaged youth and the compensatory education program to provide additional money to elementary and high schools for disadvantaged youth.

Under President Nixon Senator Claibourne Pell sponsored legislation to provide tuition money to needy college students. The Federal government also began to guarantee student loans for college and technical schools. Emphasizing the increasing importance of education in a society that required larger numbers of technically skilled workers, a cabinet level Department of Education was created.

The programs worked. In 1960 only 41 percent of American children graduated from high school. By 1980 the number had increased to 66 percent. In 1960 only 20 percent of the black students finished high school and by 1980 the number increased to 51 percent.

President Reagan and his advisors were critical of many of the federally funded education programs. Many students failed to repay their government guaranteed loans. They also wanted special programs for the disadvantaged, handicapped and bilingual students to be grouped together in a block grant to let local school districts decide how to spend the money. He also proposed a voucher system where parents could choose the school for their children and receive an income tax credit. The Bush administration also promoted the idea of choice of schools.

Pro

Many schools are ineffective in spite of millions of Federal dollars spent for compensatory education. If parents could send their children to the best schools, the competition would force poor schools to improve.

Con

Creating educational vouchers and giving people a choice is a subsidy for private schools that are usually religiously affiliated. It would take money away from already financially starved public schools. What is needed to improve education is more Federal money to local schools.

Read the background and the pro and con arguments. Decide which view you agree with the most.

The issue is should the U.S. should cut off trade and investment with South Africa?

Background: Sanctions Against South Africa

South Africa is the most prosperous country in Africa. It is also strongly anti-communist. It occupies a strategic position at the southern tip of Africa. It is also a nation that is ruled by 4.5 million whites. The whites can vote and the 23 million blacks cannot. In addition, the blacks are segregated by a policy called apartheid. Blacks work in the lowest paying jobs. 13% of the country has been reserved as black homelands. Whites own the rest.

Africans led by the African National Congress (ANC) have been struggling for social and political equality. They want the right to vote and an end to apartheid. The South African government has declared the ANC illegal and imprisons its leaders. There are some communists in the ANC.

Many Americans wanted to impose sanctions on South Africa to force it to end its racist practices. They wanted Congress to pass a law that would prevent U.S. companies from investing in or trading with South Africa.

Pro

The South African government will not change its policies without outside pressure. Blacks are denied the right to vote and the ANC can only resort to violence to change South Africa. The white South African government has resisted any appeals to reason and peaceful demonstrations.

Apartheid laws are a recent event. The white South African government began to segregate the races after World War II.

Blacks in South Africa live under a harsh dictatorship. There are laws which restrict their movement and where they can live. They must carry passes with them. They can be arrested and detained for no reason and without a trial or charges.

Blacks are not paid equally with whites even when they do the same work, but most blacks are restricted to the lowest paying jobs.

Con

South Africa's problems are more complicated than what Americans think. The black population moved into the area at the same time that the whites moved into the area three hundred years ago. Whites have just as much a claim to the land as blacks.

Blacks are not united into one group. There are many different tribal factions and they do not always get along with one another.

Blacks are not as well educated as whites, have no tradition of democracy, and are culturally different.

South Africa is the most prosperous and anti-communist country in Africa. It occupies a strategic position. The ANC is filled with communists and pro-communists. The communists must not be allowed to take over South Africa.

Read the background and the pro and con arguments. Decide which view you agree with the most.

The issue is, should the Federal government regulate business?

Background: Government Regulation

Government regulation of business began at the start of the 20th Century to stop unfair, greedy business practices. Over the years the businesses to be regulated gained influence over the agencies set up to regulate them. The government cooperated with business in setting up trusts that fixed prices, divided markets among the companies and barred new companies from competing with old ones.

Even though the government was supporting price fixing, which antitrust legislation was designed to prevent, there were advantages to the consumer. Radio stations agreed to limit advertising to eight and one-half minutes an hour and airlines and buses agreed to provide service to smaller, unprofitable towns.

Deregulation began during the Carter administration. Under Carter many of the regulatory controls had been lifted on airlines, railroads, trucking, communications and financial institutions. Reagan took deregulation a step further.

Under Carter the government sued broadcasters for agreeing to restrict commercials. Under Reagan the government wanted to drop any restrictions on commercials. Broadcasters could air as many as they wanted. Mark Fowler, Reagan's appointee to the FCC also wanted to drop the fairness doctrine which requires stations to present opposing views on controversial issues and allow stations to buy the airwaves on which they broadcast. Historically, the air waves were viewed as public property and stations rented the use of them.

The airlines were deregulated in 1978 and buses were deregulated in 1982. Critics said that would deny bus and plane service to smaller cities. Greyhound, the nation's largest bus system, immediately terminated unprofitable routes. Airlines did the same and engaged in price wars which led to the bankruptcy of some.

Banks and savings and loan institutions were deregulated in 1982. Savings and Loans institutions which had been restricted to lending for homes were allowed to lend to businesses and make consumer loans. Banks and Savings and Loans now had to compete for customers by offering higher interest rates.

Pro

The government should regulate business to protect the public interest. Certain services such as transportation are public utilities. Communities need bus and airline service and companies should be required to provide it even if it costs more.

Unregulated competition among some businesses such as financial institutions can lead to risky business practices that can jeopardize the money of depositors.

Con

Government regulation in the end hurts the consumer. It invariably increases the cost of the product or service that is regulated.

The Free Market system is the most effective way of determining what people want. If they do not want to watch a TV show with commercials they can turn the TV off.

Read the background below and the pro and con positions. Decide which you agree with the most.

The issue is how much should the government become involved in environmental protection?

Background: Environmental Protection

Theodore Roosevelt, a Republican, was the first to make conservation a key issue in national politics. He expanded national forests and created new national parks and monuments. Roosevelt believed in multiple use of national forests. National lands were to preserve natural beauty but also to be used by business to obtain important resources such as timber. They were also to be used for recreation.

Conservation and development was also on the agenda of the Democratic New Deal. The Civilian Conservation Corps planted trees and developed parks.

During the 1960's environmental concerns began to take a twist. People became concerned about pollution. There was air pollution caused mostly by cars and water pollution caused mostly by industry. There were also toxic wastes produced by industry using chemicals to manufacture new products. The Environmental Protection Agency was created by the Nixon administration to set standards for intolerable levels of pollution.

During the Carter administration businesses were required to notify the EPA before new chemicals were used. Businesses were taxed \$1.4 billion to create a "super fund" for cleaning up toxic wastes. Carter also signed the Alaskan Lands Bill which protected 104 million acres from development.

The Reagan administration slowed down efforts to protect the environment. Ann Burford, director of the EPA, exempted many chemicals from EPA control. She was also criticized for not cleaning up toxic waste sites. James Watt, Secretary of the Interior, refused to use money to add to the national park system. Instead he improved existing facilities and encouraged the development of resources by businesses.

Pro

The environment is being destroyed by business and consumers. The government must take an active role in protecting the environment.

Increasing numbers of chemicals are used which are dangerous to human health. These should be prohibited.

National parks and wilderness areas should be expanded to accommodate a growing population and protect a declining natural environment.

Con

Environmental protection should not be put ahead of jobs. Much environmental protection legislation is advocated by people who are wealthy and secure. They do not have to work for a living. Protecting an animal is not more important than providing a job for a working person.

Businesses should be encouraged to regulate themselves.

There are enough national parks and wilderness areas for those who want to use them. Business should be encouraged to use natural resources for the development of jobs and to improve the economy.

Read the issue below and the solutions and decide which solution you think is best.

Background: Housing

The American dream of owning your own house began to fade in the 1980's as the price of housing skyrocketed beyond the means of most Americans. For the first time since 1940 there was a decline in the rate of home ownership.

During the Depression of the 1930's the first public housing was built. More units were built in the 1940's and 50's to provide housing for those who could not afford to buy or pay high rents. The Depression also saw the beginning of federally backed low interest home loans. This program expanded after World War II to assist people in buying homes. The Federal Housing Authority and the Government National Mortgage Association (Ginnie Mae) provided loans.

President Reagan recognized at the beginning of his administration the problem that many could not afford housing. He claimed that only 1 out of 11 first time home buyers could afford to buy a house. Part of the problem was a rapid increase in interest rates during the 1970's.

Those who could not afford to buy houses were also in need of help. President Carter started the Section 8 program in 1975 to build 260,000 housing units. The Section 8 program provided builders with low interest loans to build housing which would be rented to low-income families. This fell short of the need. Nine million Americans qualified for federal housing assistance but only 3.4 million received it.

People without any housing emerged as a problem. Reagan's administration estimated that there were only 300,000 homeless and insisted that many of them were mentally deficient. The National Coalition for Low Income Housing estimated that there were 3 million homeless, many of them families with children.

Solution	Α
----------	---

Solution **B**

Roll back regulations that impede building houses.	Construct more public housing units for low income families.
Deregulate lending institutions to lower interest rates.	Provide more money for Section 8 housing.
Provide tax incentives to encourage investment in home construction.	Provide government backed loans at a low interest rate to first time buyers of houses.
Open national forests to timber harvesting to lower the cost of lumber.	
Eliminate public housing and provide the poor with rent vouchers.	

President Reagan wanted to cut social programs to reduce the budget deficit while he built up the military. He felt that many of the programs were abused and people who did not deserve the help benefited from them. Which programs would you cut, if any, and do you agree with Reagan's criticism?

Food stamps

Food stamps can be used as money to purchase basic foods. Food stamps are available to those who have a low income. You do not have to be on welfare to receive them.

Reagan's Criticism

College students whose families are well-off receive food stamps.

Free school lunches

The school lunch program provides free lunches for students of low income families. *Reagan's Criticism*

It is not the business of the federal government to provide free lunches. It is a service that should be provided by local school districts if they want to.

AFDC

Aid to families with dependent children. The basic welfare program for low income families. *Reagan's Criticism*

There is much welfare fraud; people receiving aid who don't need it. Welfare generally encourages laziness.

Student financial aid

A program of government backed loans to college students.

Reagan's Criticism

Too many students view it as a gift and do not pay back the loans.

Pell Grants

Grants to low-income students to attend college.

Reagan's Criticism

Too many people go to college. The grants encourage the unqualified to attend college.

WIC

A nutrition program for pregnant low-income mothers.

Reagan's Criticism

Program is not needed. It is a local government responsibility.

Job Corps

A job training program for low income youth. *Reagan's Criticism*

The program is not needed. Local schools provide job training.

CETA

Comprehensive Employment and Training Act. A program to provide training and jobs for the unemployed.

Reagan's Criticism

Program creates useless make-work jobs. Such programs actually encourage people to be unemployed.

Head Start

A program of pre-school education for the economically disadvantaged.

Reagan's Criticism

Program is not needed. Local school districts can provide this service if they want.

Title I

A program to aid disadvantaged school students.

Reagan's Criticism

Program is not really effective and a voucher system to allow students to choose schools would encourage schools to improve as they compete for students.

Medicare & Medicaid

Medicare is a government health insurance program for the elderly. Medicaid is a government insurance program for low income people. *Reagan's Criticism*

There is much fraud in the program and private insurance can better hold down rising medical costs.

Read the background below and the pro and con views. Which do you agree with the most? The issue is, should the government regulate banking and should it allow unsound banks and S&L's to go bankrupt?

Background: Savings & Loan Crisis

During the 1920's there was little regulation of banks. Bank depositors were not protected when they put their money in a bank. If the bank went bankrupt, the depositors lost their money. During the Depression many banks closed their doors and people lost millions of dollars. The Glass Steagall Act placed banks under closer regulation. The Federal Deposit Insurance Corporation was created to insure depositors against losses. Banks and savings and loans were restricted to the services they could offer and how they could invest their money. Banks could not use depositors' money to play the stock market and savings and loans could loan money only to build and buy houses. S&L's could offer a higher interest rate on deposits but could not offer checking services.

The bank deregulation law of 1982 took restrictions off banks and S&L's. Savings and loans were permitted to make nonresidential lending up to 40% of their loans. Banks and S&L's were allowed to offer interest paying accounts at market rates with no withdrawal penalty. Banks and S & L's were now competing with each other and with uninsured money market accounts for the consumer dollar. S & L's were allowed to offer checking services. The result was that it cost banks and S & L's more money in paying higher interest rates to attract depositors.

Banks and S&L's were also allowed to enter the stock brokerage business and stockbrokers were allowed to offer some of the same services as banks such as checking.

The key to the deregulation act was the federal government giving a blank check to the bank and savings and loan industry. The Net Worth Certificate Act promised financial institutions promissory notes backed by the U.S. Treasury up to 3% of the assets of the institution. If the thrift became sound it would return the note to the government. If it went bankrupt the federal government would pay off the creditors.

Many banks and S&L's were in financial trouble. In 1982 more than two dozen banks went under. Penn Central and later Continental Illinois went bankrupt and had to be bailed out by the federal government. S&L's found themselves in increasing difficulty throughout the 1980's. In 1989 Congress voted to bail out the ailing thrifts. Estimates of the total costs of the bailout are over \$100 billion.

Pro

The deregulation of financial institutions was a license for dishonest and incompetent financial managers to steal and make risky investments with depositors' money. They have demonstrated gross misconduct. Banks and S&L's should be closely regulated in what they can do with depositors' money.

Failed financial institutions should be allowed to fail. The government has an obligation to protect depositors, beyond that it should not protect incompetence.

Con

The federal government cannot allow major financial institutions to fail. The entire economy is threatened if this happens.

Many of the problems of financial institutions stem from situations over which they have had little control. The decline of the oil industry and loans to other countries have made it difficult for banks to recover bad loans.

Read the background and the pro and con sides of the issue. Decide which you agree with the most.

The issue is whether or not the deficit of the federal government is harmful.

Background: Federal Deficit

When Ronald Reagan took office in 1980 the federal debt was \$908 billion. When he left office it was \$2,602 billion. The increase in the deficit was caused by several things. Reagan sought and won the largest tax cut in the history of the country. He also increased spending on the military. At the same time he cut spending on social programs but the cuts were never enough to balance the increase in military spending.

Economists feared the mounting debt would have harmful effects on the economy. The government borrowing large amounts of money would drive up interest rates and make it difficult for businesses to borrow money. If business could not borrow money it could not expand and the U.S. economy would stagnate. Unemployment would increase.

This did not happen. Even though interest rates have remained high, they were not as high as in the late 1970's, and money from foreign countries flowed into the U.S. to take advantage of investment opportunities. 25% of the U.S. debt is held by foreigners.

Foreigners who wanted to take advantage of high interest rates in the U.S. drove up the value of the dollar. This meant that U.S. products cost more in other countries and the U.S. balance of trade went down. The U.S. began to buy more from other countries than it sold. This led to a loss of manufacturing jobs in the U.S.

Reagan always advocated a balanced budget. A balanced budget has always been a cornerstone of Republican policy. Failure to achieve a balanced budget was blamed on a "tax and spend" Congress, a Congress dominated by Democrats. Reagan wanted a constitutional amendment that required a balanced budget. He also wanted the power to "blue pencil" or eliminate items from the budget passed by Congress. He did not win either.

Instead Congress passed the Gramm-Rudman law which automatically cut the budget if Congress failed to achieve a budget that reduced the deficit.

Pro

The federal debt is harmful in that it reduces the ability of the federal government to respond to a recession which will inevitably happen. The government can help the economy out of a recession by going into debt to spend more money to put people to work.

When the federal government pays off the debt to foreign investors it will mean that U.S. dollars will leave the United States. The U.S. will become poorer.

Con

Doomsayer critics of Reagan's economic policies have constantly miscalculated the effect of the increasing debt. Instead of causing a recession as many predicted the economy boomed as the debt climbed. Both inflation and interest rates declined as employment increased.

The imbalance in foreign trade is not so much a problem of the deficit as it is the lack of competitiveness by American businesses.

Read the background information and the pros and cons. Decide which position you agree with the most.

The issue is, should the United States attempt to control the political destinies of Central American countries?

Background: Intervention in Latin America

The United States has a long history of involvement in Central American affairs. The United States, to help the Cubans fighting for independence against Spain, embarked upon the Spanish American War of 1898. The U.S. acquired control of Puerto Rico and virtual control of Cuba. Theodore Roosevelt encouraged the Panamanians to revolt against Colombia. The U.S. then completed the Panama Canal which gave the U.S. a strategic interest in the area. The Panama Canal was a vital link in U.S. trade and in military planning, cutting 10,000 miles off the trip to move ships from the Atlantic to the Pacific Oceans.

The Wilson Administration intervened in the affairs of several Central American countries to protect the Panama Canal and to stabilize governments to make sure they were financially sound. U.S. Marines were sent to Haiti where they remained until the 1930's and occupied the country. Troops were sent for a short time to Cuba. Marines were also sent to Nicaragua. During this time U.S. investment increased in Central America.

During the 1950's people in Central America began to fight for a change. Most people in Central American countries were poor. The countries were run by a few wealthy families and U.S. businesses backed by the U.S. government. In 1957 there was a revolution in Cuba. Fidel Castro became the leader and nationalized U.S. business interests. The U.S. refused to recognize Castro's government and placed a trade embargo on Cuba. Castro declared himself a communist and received help from the Soviet Union. When Jacabo Arbenz was elected president of Guatemala promising to do something for the poor, the U.S. helped overthrow his government by using the CIA.

In the 1970's the government of the Somoza family was overthrown. For years the U.S. had backed the dictatorship of the Somoza family. President Carter withdrew support from the Somozas and a revolutionary group, the Sandinistas, overthrew the government.

The Reagan administration did not like the Sandinista government, but supported a group, the "contras," attempting to throw them out. The CIA also was involved in the mining of Nicaraguan harbors. The Sandinista government began to receive aid from the Soviet Union and Cuba.

Pro

The United States must protect countries in Central America from turning communist. The United States must protect its southern borders and the Panama Canal.

The countries of Central America do not have a democratic tradition and can easily be controlled by communists and other dictators.

Con

The countries of Central America are attempting to reach independence. A genuine democratic government in Central America will attempt to serve the needs of all the people, not just the wealthy.

The U. S. has always taken the side of the rich and the military. Whenever a reform government attempts to provide the poor with social justice the rich and the military claim these groups are communist to gain U.S. support.

Public Debt of the U.S.

Year	Debt (billions)	Per Capita (dollars)	Interest Paid (billions)	Pct. of F	ederal Outlay
1970	370.1	1,814	19.3	9.9	
1971	397.3	1,921	21.0	10.0	
1972	426.4	2,037	21.8	9.4	Directions
1973	457.3	2,164	24.2	9.8	1. What trends do you see
1974	474.2	2,223	29.3	10.9	in this chart?
1975	533.2	2,475	32.7	9.8	
1976	620.4	2,852	37.1	10.0	2. Make a line graph
1977	698.8	3,170	41.9	10.2	showing the change in the
1978	771.5	3,463	48.7	10.6	debt from 1970 to 1988.
1979	826.5	3,669	59.8	11.9	
1980	907.7	3,985	74.9	12.7	
1981	997.9	4,338	95.6	14.1	
1982	1,142.0	4,913	117.4	15.7	
1983	1,377.2	5,870	128.8	15.9	
1984	1,572.3	6,640	153.8	18.1	
1985	1,823.1	7,598	178.9	18.9	
1986	2,125.3	8,774	190.2	19.2	
1987	2,350.3	9,615	195.4	19.5	
1988	2,602.3	10,534	214.1	20.1	

Direct Foreign Investment in the U.S. (billions of dollars)

v	´1970	1975	1980	1985	1986	1987	1988
All countries	13.2	27.6	83.0	184.6	220.4	271.7	328.8
Canada	3.1	5.3	12.1	17.1	20.3	24.0	27.3
Europe	9.5	18.5	54.4	121.4	144.1	186.0	216.4
Netherlands	2.1	5.3	19.1	37.0	40.7	49.1	48.9
Switzerland	1.5	2.1	5.0	10.5	12.0	14.6	15.8
United Kingdom	4.1	6.3	14.1	43.5	55.9	79.6	101.9
W. Germany	0.68	1.4	7.5	14.8	17.2	20.3	23.8
Japan	0.229	9 0.59	1 4.7	19.3	26.8	35.1	53.3
Middle East	_	_	_	_	_	4.9	5.8

Directions

1. Make a line graph comparing the investments of Japan, United Kingdom and the Netherlands.

2. What trends do you see in foreign investment in the U.S.?

Below is a series of statements about the 1980's. There are four types of statements. 1. True facts which are well-documented. 2. Arguable facts which are not well-documented but can be proven true or false with further research. 3. Purely opinion which are statements judging the facts. 4. Mixed fact and opinion in which the facts are interpreted with a person's opinion. Decide which statements are factual and which are opinions. Mark an F for truly factual statements, AF for an arguable fact, O for opinion and FO for statements that contain an interpreted fact.

1.____ Ronald Reagan punished the poor.

2. _____ Ronald Reagan increased the defense budget at the expense of social programs.

3. _____ The U.S. and the Soviets agreed to ban intermediate range missiles.

4. _____ Unemployment was reduced during the Reagan years.

5. _____ Reagan cut social programs to build up the military.

6. _____ Reagan cut social programs because he does not care for poor people.

7. _____ Vice-President Dan Quayle is incompetent.

8. _____ The media does not give Dan Quayle a "fair shake."

9. _____ A stronger U.S. military during the Reagan years forced the Soviets to negotiate for arms reduction.

10. _____ There was much corruption during the Reagan administration.

11. _____ Libya supported terrorists.

12. ____ Reagan ordered the bombing of Libya.

13. _____ Reagan picked on small weak countries such as Libya.

14. _____ Reagan knew about the secret, illegal deal to sell arms to Iran to support the Contras in violation of Congress' wishes.

15. ____ Reagan called for a space-based missile defense system called Star Wars.

16. _____ Star Wars is a good idea.

17. ____ Star Wars is impractical.

18. _____ Reagan officials claimed that environmental groups were infiltrated by communists.

19. ____ The 1980's were very prosperous.

20. ____ The 1980's were very prosperous because unemployment and inflation went down.

21. _____ Reagan's policies encouraged business fraud.

22. _____ Reagan reduced the amount of regulation on business which in turn led to business fraud.

23. _____ Reagan was a racist.

24. ____ Reagan was a racist because he opposed sanctions against the white South African government.

25. ____ Reagan enjoyed high popularity throughout his two terms in office.

1980's

Directions

Below is a series of statements. Select the statement that you think is most precise.

Group 1

A. The number of homeless increased during the 1980's.

B. Reagan thought the private sector could handle the homeless problem.

C. Reagan did not think that the homeless were a problem.

D. Reagan's administration estimated that there were 300,000 homeless.

Group 2

A. Reagan is strongly anti-communist.

B. Reagan and Gorbachev met in Iceland.C. Reagan liked to negotiate from a position of strength.

D. Reagan and Gorbachev reached agreement to limit intermediate range missiles.

Group 3

A. Reagan ran up the government deficit.

B. Reagan cut taxes.

C. Reagan got the largest tax cut in history.

D. Reagan had funny ideas about taxes and deficits.

Directions

From the statements below select the most general statement .

Group 1

A. Ronald Reagan wanted to make the

U.S. stronger.

B. Reagan had the B-1 bomber built.

C. Reagan increased defense spending.

D. Reagan wanted to build the Star Wars defense system.

Group 2

A. Reagan proposed that the Job Corps be completely eliminated.

B. Congress opposed Reagan's cuts in education funding.

C. Welfare spending was reduced by 35% during the 1980's.

D. Reagan did not like welfare.

Directions

Write a general statement that is supported by all of the facts in each group.

Group 1

A. Ronald Reagan wanted to "get government off people's backs."

B. Ronald Reagan increased military spending.

C. Ronald Reagan reduced spending on welfare.

D. Reagan reduced taxes.

Group 2

A. The U.S. supported the Contras.

B. The U.S. invaded Grenada.

C. The U.S. bombed Libya.

Directions

Emotional words are used to influence how people think about events. They also are used to distort reality. Select what you think might be the emotional word in each of the statements below.

1. South Africa is a racist, police state.

2. Dan Qualye is not given a fair shake by the media.

3. Ronald Reagan is a fervent anti-communist.

4. Ronald Reagan allowed the crooks on Wall Street and in the S&L industry to run wild.

5. "Tricky Dick" Nixon was elected president in 1968.

6. American soldiers in Vietnam were baby killers.

7. The Black Panthers were opposed to the facist government.

8. Chicago police brutalized demonstrators at the Democratic Convention in 1968.

9. The Cuban people were exploited by the United States.

10. Redneck policemen beat and killed civil rights workers.