



**Section 2**

**GUIDED READING** *Conservative Policies Under Reagan and Bush*

**A.** As you read, note the results of “Reaganomics” and of actions taken to achieve important goals of the conservative movement.

<b>Goal: Stimulate the economy</b>	
1. Cut government spending on social programs and lowered income taxes	→ Result(s):
2. Increased military spending	→ Result(s):

<b>Goal: Promote traditional values and morality</b>	
3. Named conservative judges to the Supreme Court and other federal courts	→ Result(s):

<b>Goal: Reduce the size and power of the federal government</b>	
5. Cut the Environmental Protection Agency budget and appointed EPA administrators sympathetic to business	→ Result(s):

**B.** On the back of this paper, define **supply-side economics**. Then identify **Sandra Day O’Connor, William Rehnquist, and Geraldine Ferraro**.

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**RETEACHING ACTIVITY** *Conservative Policies Under Reagan and Bush*

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**Finding Main Ideas**

The following questions deal with counterculture movement. Answer them in the space provided.

1. What were the three goals of “Reaganomics”?

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2. How did President Reagan’s budget cuts hurt the economically depressed members of society?

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3. What factors led to the nation’s recovery from the recession of the early 1980s?

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4. How did the appointments by Reagan and Bush impact the Supreme Court?

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5. Why was the Reagan administration viewed as anti-environmentalist?

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6. Who made up Ronald Reagan’s 1984 coalition and why?

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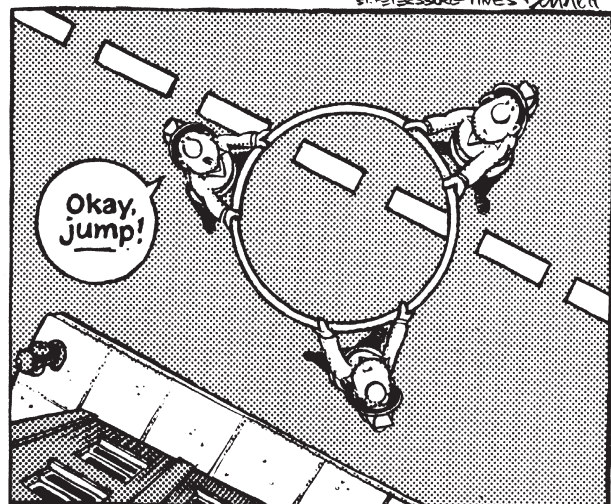
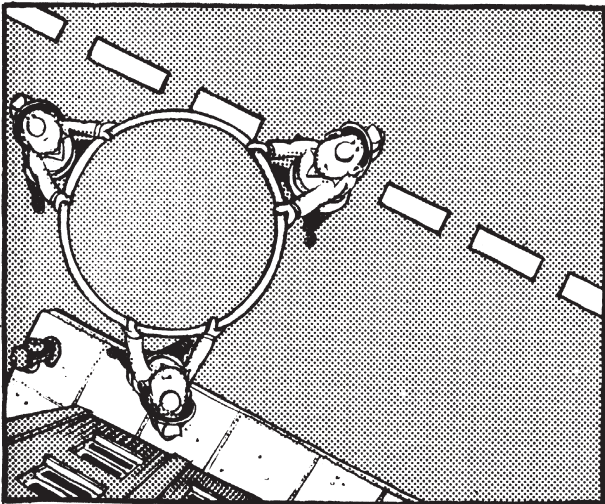
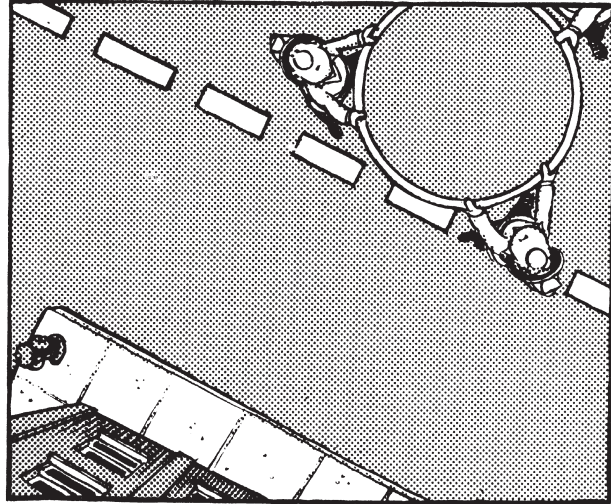
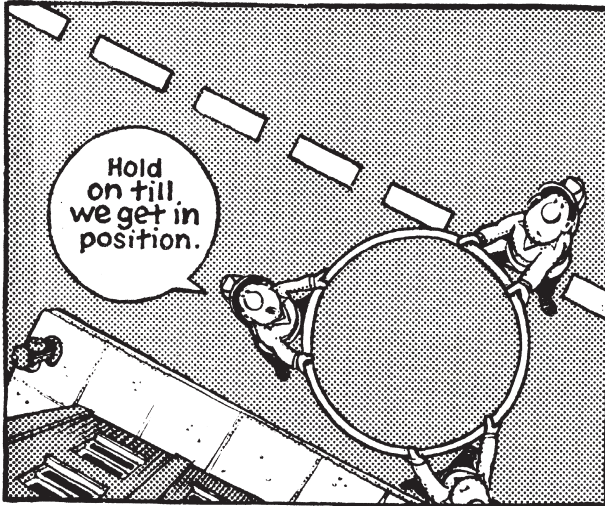
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**PRIMARY SOURCE** Political Cartoon

To downsize the federal government, President Reagan cut the budgets of social programs such as urban mass transit, food stamps, welfare, and Medicaid. These programs represented part of the safety net, or minimum financial security, for the poor. Study this cartoon from the St. Petersburg Times to find out the cartoonist's opinion of Reagan's strategy.

**The Reagan Safety Net**


H. CLAY BENNETT  
 Courtesy St. Petersburg Times

**Discussion Questions**

1. Who are the three characters in this cartoon, and what are they trying to do?
2. What does the last frame of the cartoon reveal?
3. What political message does this cartoon send?



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**PRIMARY SOURCE** *from* Ronald Reagan's  
Farewell Address

*On January 11, 1989, President Reagan delivered his 34th—and last—address from the Oval Office. As you read this excerpt, think about his assessment of the United States as he prepares to step down after eight years in office.*

You know, down the hall and up the stairs from this office is the part of the White House where the president and his family live. There are a few favorite windows I have up there that I like to stand and look out of early in the morning. The view is over the grounds here to the Washington Monument, and then the Mall and the Jefferson Memorial. But on mornings when the humidity is low, you can see past the Jefferson to the river, the Potomac, and the Virginia shore. Someone said that's the view Lincoln had when he saw the smoke rising from the Battle of Bull Run. I see more prosaic things: the grass on the banks, the morning traffic as people make their way to work, now and then a sailboat on the river.

I've been thinking a bit at that window. I've been reflecting what the past eight years have meant and mean. And the image that comes to mind like a refrain is a nautical one—a small story about a big ship, and a refugee and a sailor. It was back in the early eighties, at the height of the boat people. And the sailor was hard at work on the carrier *Midway*, which was patrolling the South China Sea. The sailor, like most American servicemen, was young, smart, and fiercely observant. The crew spied on the horizon a leaky little boat. And crammed inside were refugees from Indochina hoping to get to America. The *Midway* sent a small launch to bring them to the ship and safety. As the refugees made their way through the choppy seas, one spied the sailor on deck and stood up and called out to him. He yelled, "Hello, American sailor. Hello, freedom man."

A small moment with a big meaning, a moment the sailor, who wrote it in a letter, couldn't get out of his mind. And when I saw it, neither could I. Because that's what it was to be an American in the 1980s. We stood, again, for freedom. I know we always have, but in the past few years the world again, and in a way, we ourselves—rediscovered it.

It's been quite a journey this decade, and we held together through some stormy seas. And at

the end, together, we are reaching our destination.

The fact is, from Grenada to the Washington and Moscow summits, from the recession of '81 to '82, to the expansion that began in late '82 and continues to this day, we've made a difference. The way I see it, there were two great triumphs, two things that I'm proudest of. One is the economic recovery, in which the people of America created—and filled—19 million new jobs. The other is the recovery of our morale. America is respected again in the world and looked to for leadership. . . .

The past few days when I've been at that window upstairs, I've thought a bit of the "shining city upon a hill." The phrase comes from John Winthrop, who wrote it to describe the America he imagined. What he imagined was important because he was an early Pilgrim, an early freedom man. He journeyed here on what today we'd call a little wooden boat; and like the other Pilgrims, he was looking for a home that would be free. . . .

And how stands the city on this winter night? More prosperous, more secure, and happier than it was eight years ago. But more than that; after two hundred years, two centuries, she still stands strong and true on the granite ridge, and her glow has held steady no matter what storm. And she's still a beacon, still a magnet for all who must have freedom, for all the pilgrims from all the lost places who are hurtling through the darkness, toward home.

*from* Ronald Reagan, *Speaking My Mind* (New York: Simon and Schuster, 1989), 410–418.

### Discussion Questions

1. What two accomplishments was Reagan proudest of?
2. How did Reagan characterize the nation in 1989 as compared to when he became president?
3. Do you agree with Reagan's assessment of how the United States stood at the end of his second term? Why or why not?

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LITERATURE SELECTION *from The Bonfire of the Vanities*  
by Tom Wolfe

*Set in New York City, this best-selling novel satirizes the greed and excesses of the 1980s. The novel's main character, Sherman McCoy, is the number one bond salesman at the Wall Street investment firm of Pierce & Pierce. As you read this excerpt, consider the traits and qualities that make Sherman a self-proclaimed "Master of the Universe."*

At ten o'clock, Sherman, Rawlie, and five others convened in the conference room of Eugene Lopwitz's suite of offices to decide on Pierce & Pierce's strategy for the main event of the day in the bond markets, which was a U.S. Treasury auction of 10 billion bonds maturing in twenty years. It was a measure of the importance of the bond business to Pierce & Pierce that Lopwitz's offices opened right into the bond trading room.

The conference room had no conference table. It looked like the lounge in an English hotel for the Yanks where they serve tea. It was full of small antique tables and cabinets. They were so old, brittle, and highly polished, you got the feeling that if you flicked one of them hard with your middle finger, it would shatter. At the same time, a wall of plate glass shoved a view of the Hudson River and the rotting piers of New Jersey into your face.

Sherman sat in a George II armchair. Rawlie sat next to him, in an old chair with a back shaped like a shield. In other antique or antiques chairs, with Sheraton and Chippendale side tables beside them, were the head government trader, George Connor, who was two years younger than Sherman; his deputy, Vic Scassi, who was only twenty eight; the chief market analyst, Paul Feiffer; and Arnold Parch, the executive vice president, who was Lopwitz's first lieutenant.

Everyone in the room sat in a classic chair and stared at a small brown plastic speaker on top of a cabinet. The cabinet was a 220-year old Adam bowfront, from the period when the brothers Adam liked to paint pictures and ornate borders on wood-

en furniture. On the center panel was an oval-shaped painting of a Greek maiden sitting in a dell or grotto in which lacy leaves receded fuzzily in deepening shades of green into a dusky teal sky. The thing had cost an astonishing amount of money. The plastic speaker was the size of a bedside clock radio. Everyone stared at it, waiting for the voice of Gene Lopwitz. Lopwitz was in London, where it was now 4:00 p.m. He would preside over this meeting by telephone.

An indistinct noise came out of the speaker. It might have been a voice and it might have been an airplane. Arnold Parch rose from his armchair and approached the Adam cabinet and looked at the plastic speaker and said, "Gene, can you hear me all right?"

He looked imploringly at the plastic speaker, without taking his eyes off it, as if in fact it *were* Gene Lopwitz, transformed, the way princes are transformed into frogs in fairy tales. For a moment the plastic frog said nothing. Then it spoke.

"Yeah, I can hear you Arnie. There was a lotta cheering going on." Lopwitz's voice sounded as if it were coming from out of a storm drain, but you could hear it.

"Where are you Gene?"

asked Parch.

"I'm at a cricket match." Then, less clearly: "What's the name of this place again?" He was evidently with some other people. "Tottenham Park, Arnie. I'm on a kind of a terrace."

"Who's playing?" Parch smiled, as if to show the plastic frog that this wasn't a serious question.

"Don't get technical with me, Arnie. A lot of very nice young gentlemen in cable-knit sweaters

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and white flannel pants, is the best I can tell you.”

Appreciative laughter broke out in the room, and Sherman felt his own lips bending into the somehow obligatory smile. Everyone was smiling and chuckling at the brown plastic speaker except for Rawlie, who had his eyes rolled up in the Oh Brother mode.

Then Rawlie leaned over toward Sherman and said, in a noisy whisper: “Look at all these idiots grinning. They think the plastic box has eyes.”

This didn’t strike Sherman as very funny, since he himself had been grinning. He was also afraid that Lopwitz’s loyal aide, Parch, would think he was Rawlie’s confederate in making sport of the maximum leader.

“Well, everybody’s here, Gene,” Parch said to the box, “and so I’m gonna let George fill you in on where we stand on the auction as of now.”

Parch looked at George Connor and nodded and walked back to his chair, and Connor got up from his and walked over to the Adam cabinet and stared at the brown box and said: “Gene? This is George.”

“Yeah, hi, George,” said the frog. “Go ahead.”

“Here’s the thing, Gene,” said Connor, standing in front of the Adam commode, unable to take his eyes off the plastic box, “it feels pretty good. The old twenties are trading at 8 percent. The traders are telling us they’ll come in on the new ones at 8.05, but we think they’re playing games with us. We think we’re gonna get action right down to 8. So here’s what I figure. We’ll scale in at 8.01, 8.02, 8.03, with the balance at 8.04. I’m ready to go 60 percent of the issue.”

Which, translated, meant: he was proposing to buy \$6 billion of the \$10 billion in bonds offered in the auction, with the expectation of a profit of two thirty-seconds of a dollar—6 1/4¢—on every one hundred dollars up. This was known as “two ticks.”

Sherman couldn’t resist another look at Rawlie. He had a small, unpleasant smile on his face, and his gaze seemed to pass several degrees to the right

of the Adam commode, toward the Hoboken docks. Rawlie’s presence was like a glass of ice water in the face. Sherman resented him all over again. He knew what was on his mind. Here was this outrageous arriviste, Lopwitz—Sherman knew Rawlie thought of him that way—trying to play the nob on the terrace of some British cricket club and at the same time conduct a meeting in New York to decide whether Pierce & Pierce was going to stake two billion, four billion or six billion on a single government bond issue three hours from now. No doubt Lopwitz had his own audience on hand at the cricket club to watch this performance, as his

great words bounced off a communications satellite somewhere up in the empyrean and hit Wall Street.

Well, it wasn’t hard to find something laughable in it, but Lopwitz was, in truth, a Master of the Universe. Lopwitz was about forty-five years old. Sherman wanted nothing less seven years down the line, when he was forty-five. To be astride the Atlantic . . . with billions at stake!

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## Research Options

1. Sherman McCoy is a top bond salesman. Find out more about the bond market. What are bonds? What are the different types of bonds? How are they bought and sold? Report your findings to your classmates.
2. A wave of financial scandals erupted in the 1980s. Research one of the people involved in these scandals, such as Ivan Boesky, Charles Keating, or Michael Milken. Then discuss with your classmates how this person compares with the fictional Sherman McCoy.



## Section 2

AMERICAN LIVES

# Sandra Day O'Connor

## *The Independent Moderate*

*"As a judge, it is not my function to develop public policy."—Sandra Day O'Connor at her Senate confirmation hearings, 1981*

Sandra Day O'Connor (b. 1930) has always held moderate to conservative political views. However, she has never followed a rigid ideology. As a politician and a judge, she has decided issues on their merit.

Sandra Day was an excellent student. She finished college and law school—which normally take seven years—in just five. She graduated third in her law school class—just two spots behind another future Supreme Court justice, William H. Rehnquist. Though she had a strong record, she could not find a California law firm willing to hire a woman. One firm did offer her a job—but only as a legal secretary. By the late 1950s, she and her husband—John O'Connor—had returned to Arizona. She was balancing her own practice with raising their children.

Sandra O'Connor entered politics in the early 1960s, working in the state Republican Party. She became an assistant attorney general for the state of Arizona and then entered the state Senate. She earned a reputation as a hard worker with a brilliant mind. In 1972 she made history, becoming the first woman ever elected majority leader of a state legislature. Though she usually agreed with conservative views, she often took a more independent course.

In 1974, O'Connor won election as a state judge. In 1981, President Ronald Reagan made history when he announced that he was nominating O'Connor to the Supreme Court. Reagan praised her "fairness, intellectual capacity, and devotion to the public good." In the Senate hearings held prior to her confirmation, O'Connor refused to say how she would rule on particular issues. The ruling would depend on the facts of the case. She did say, though, that elected legislators, not judges, make public policy. A judge's job is to interpret whether laws are constitutional, not whether they are good or bad laws. O'Connor won overwhelming support—99 Senators voted for her to become the first woman to sit on the Supreme Court.

On the Court, O'Connor has followed her moderate-to-conservative philosophy. She has often

voted with conservatives on the Court. She joined them in a 1995 ruling that overturned an affirmative action law. In writing the decision, O'Connor argued that a legislature can pass laws to try to fix the effects of past discrimination. It cannot, however, pass laws that aim to shape the future makeup of a workplace or school. In another case, she joined with conservatives to strike down a Georgia plan that drew legislative districts. She objected because the plan created a district solely on the basis of race.

O'Connor does not always agree with conservative justices, however. Especially on cases that touch women's rights, she sides with the more liberal members of the Court. In one of her first opinions for the Court—*Mississippi University for Women v. Hogan*—O'Connor came out squarely against sex discrimination. The decision held that a nursing school could not discriminate against men. By preventing men from entering that school, she wrote, the state was actually hurting women by keeping alive the stereotyped notions of women in society. Several times she voted to uphold abortion rights.

Over time, O'Connor's vote has become increasingly important on the Court. She and two other justices have come to occupy a center position that make them swing votes. They move toward the more liberal wing for some decisions and vote with the conservatives on others. In 1993 the *American Bar Association Journal* wrote that O'Connor is "arguably the most influential woman official in the United States."

### Questions

1. Who does O'Connor think should "develop public policy"? Why?
2. What do you think of the distinction that the Court made on affirmative action in the 1995 case?
3. How has O'Connor's position in the center made hers an important vote on the Court?