This chapter discusses how discontent encouraged Americans to return to conservative views and elect Ronald Reagan president; the chapter follows Reagan’s domestic and foreign policies, as well as the fall of the Soviet Union; it discusses increased wealth in the ’80s, new social activism, and how President Bush’s domestic policies affected the 1992 election.

**The New Conservatism**
- The Cold War encouraged a strong foreign policy.
- Fundamental differences about the economy and social issues divided liberals and conservatives.
- Fear of communism encouraged some to turn to conservative ideas.
- Americans became tired of protests and violence.
- The Sunbelt population supported conservative ideas.
- Rising taxes and government regulations turned voters to conservative ideas.
- Western and Southern conservatives supported the Republican Party.
- The Protestant evangelical movement helped mobilize conservative voters, creating the “Moral Majority.”
- The United States began a military buildup.
- Gorbachev became the leader of the Soviet Union.
- The Iran-Contra scandal marred Reagan’s second term.

**Life in the ’80s**
- Young, ambitious, urban professionals were called “yuppies.”
- Innovations in retailing and broadcasting changed American society.
- New social activist groups formed.
- The AIDS epidemic was identified.

**The Reagan Years**
- Ronald Reagan turned to conservatism during the 1980’s.
- Reagan was elected president in 1980 and reelected in 1984.
- Reagan supported supply-side economics and pushed large tax cuts through Congress.
- A debate over expanding government programs shaped domestic policies.
- Deregulation spurred a boom in oil, transportation, and communication.
- Several conservative judges were nominated as Supreme Court justices.
- The United States began a military buildup.
- Gorbachev became the leader of the Soviet Union.
- The Iran-Contra scandal marred Reagan’s second term.

**The End of the Cold War**
- Gorbachev instituted *perestroika* and *glasnost*.
- The Soviet Union collapsed.
- East and West Germany reunited.
- Chinese students protested in Tiananmen Square.
- U.S. troops invaded Panama and captured Noriega.
- Saddam Hussein invaded Kuwait; The United States and its allies launched “Desert Storm.”
- Increased spending led to record deficits; Bush raised taxes.
- Savings and loan institutions collapsed.
- Bill Clinton was the first Baby Boomer to be elected president.