**Ronald Reagan ‘Reagonomics’**

1980 Reagan (the film star) defeated Carter.

Inherited huge economic problems, high inflation (15%), rising unemployment (7.5%), high budget deficit, world recession.

*Reagonomics*

* Slashed income tax by $33billion hoping to encourage spending and ‘trickle down’ money to others and increase jobs.
* Slashed welfare by $20billion for 3 years – returned to ‘rugged individualism’. Women, babies, elderly and infirm worse affected.
* Increased spending on space programme and defence.
* Caused $1trillion debt for USA.

1987 Stock Market Crash, worst since 1929, USA edged towards recession.

**Change for USA under Bush and Clinton**

**Policies of George Bush Senior**

* Faced severe economic problems, budget deficit trebled in size between 1980 and 1990.
* Bushed forced to go back on election promised to reduce indirect tax – he imposed new taxes on the wealthy.
* Budget deficit grows, by 1992 14% of Americans lived in poverty.
* 1990 Disability Act forbade discrimination based on disabilities. Clean Air Act.
* Serious race riots in 1992 in major cities including Los Angles, Atlanta, Birmingham, Seattle, Chicago.

**Policies of Bill Clinton**

Clinton was a democrat who promised to tackle economic crisis head on.

* Abandoned Reaganomics – increased federal government spending, increased taxes, reduced debt and balanced books.
* Welfare Reforms – 1996 introduced minimum wage, Health Security Bill aimed at setting up system of universal health insurance but it was rejected by Congress.
* Scandals
  + Whitewater housing scandal - Clinton and his wife accused but not enough evidence to convict.
  + Monica Lewinsky – denied an affair with White House staff, then had to go back on television to admit he did have a relation with her. Threatened with impeachment.

**Nixon and Watergate Scandal**

Nixon elected in 1968 and re-elected in 1972, he was a Republican. He promised to end war in Vietnam & debt.

1972 set up CREEP, 5 members of CREEP arrested in June 1972 for breaking into Watergate Democrat Offices, Nixon ordered a cover up but denied his involvement. Won 1972 election. 1973 burglars go on trial, convicted, Nixon still denied involvement, top advisors resign, Nixon was caught on tape himself but refused to hand over tapes. He does eventually hand them over but they were edited. 1974 Nixon forced to hand over unedited tapes, showed he swore extensively and had lied throughout the investigation.

July 1974 Nixon about to be impeached, he resigns to avoid it in Aug, by Sept President Ford pardoned Nixon.

**Effects**

Strength of US Congress, reduction in gov powers, undermined trust in politics, destroyed Nixon’s reputation, USA look weak.

**Domestic policies of Johnson**

*After Kennedy was shot his Vice-Chair took over and continued his ideas. He was a southerner with more experience so able to win over Congress.*

**The Great Society**

1. Civil Rights
2. Economy
3. Social Reform

**Domestic policies Kennedy**

*Elected in Nov 1960, by a small margin, many believed he was too young & distrusted his Catholic views.*

**New Frontier**

1. Civil Rights
2. Economy
3. Social Reform

Political Change 1960-2000