Pearson Edexcel Level 3 GCE

Tuesday 19 May 2020

Afternoon (Time: 2 hour 15 minutes) | Paper Reference **9HI0/1F**

History

Advanced

Paper 1: Breadth study with interpretations

Option 1F: In search of the American dream: the USA, c1917–96

Extracts Booklet

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Extracts for use with Section C.

Extract 1: From Paul Johnson, *A History of the American People*, published 1999.

The success of Reagan's tax reforms, together with a massive programme of deregulation, acted as a powerful stimulant to business. By the beginning of 1983 the nation was in full recovery. The growth continued well into the 1990s, the longest continual expansion in American history. Inflation fell to 4.4 percent in 1988. Unemployment fell to 5.5 percent, as 18 million new jobs were created. Interest rates were down too.

Reagan had inherited social security spending which had been irresponsibly extended by Congress in the 1970s. Reagan was unwilling to go through with the cutting scheme proposed by his expert budget adviser – the one big instance in which Reagan's inherent weaknesses really mattered. As a result, the deficit, already out of hand since 1975, began to hit the big numbers. However, we now know that false inflation calculations meant the deficit under Reagan, for which he was blamed, was significantly overstated. Additionally, subsequent revisions to figures for the growth in national wealth, wage rates and family incomes have made it clear that the 'feel-good' atmosphere, which Reagan succeeded in generating, was not just a public relations exercise, but was solidly based on real improvements.

Extract 2: From Philip Jenkins, *A History of the United States*, published 1997.

Ronald Reagan presided over what initially appeared a substantial economic boom, fuelled by the defence build-up, the deregulation of financial markets, the decline of organised labour, and the significant easing of environmental restraints on business activity. However, there was concern that many of the jobs created were relatively low-paid service positions, often lacking the permanence or the benefits associated with the manufacturing sector. The number of people officially classified as living below the poverty level also rose by some 25 per cent between 1979 and 1983.

The real crisis came in 1987–8. The stock market collapsed, followed by a lengthy series of criminal trials for insider dealing and stock manipulation. Most savings and loans institutions collapsed between 1988 and 1991, leaving the federal government to pick up hundreds of billions of dollars in defaults. Subsequent investigations revealed widespread political misconduct involving people of both political parties. The Reagan boom ended in 1990, and a lengthy period of recession and worsening unemployment began. Against such a background, it is perhaps remarkable that the Republicans maintained their position as well as they did.

Acknowledgement
Extract 1 from: 'A History of the American People', Paul Johnson, Harper Perennial (Harper Collins, New York), 1999
Extract 2 from: Philip Jenkins, 'A History of the United States', Macmillan Press Ltd 1997, Springer Nature GmbH

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