Module 27

Into a New Millennium

Essential Question
What issue or development has most affected the United States since the beginning of the 21st century?

In this module you will learn about the administrations that bridged the end of the 20th century and the beginning of the 21st. You will also examine how technology and changing demographics have shaped modern American culture.

What You Will Learn . . .

Lesson 1: The Clinton Years. . . . . . . . . . . . . . . . . . . . . . . . . 1220
The Big Idea  Bill Clinton led the Democratic Party in a new direction, while Republican influence increased and the economy changed.

Lesson 2: The Bush Administration . . . . . . . . . . . . . . . . . . . 1230
The Big Idea  Acts of terrorism, a troubled war, and a faltering economy dominated the millennium’s first decade.

Lesson 3: Obama’s Presidency. . . . . . . . . . . . . . . . . . . . . . . . 1243
The Big Idea  President Barack Obama changed domestic and foreign policies, but the Democratic Party lost power in Congress as U.S. politics became increasingly partisan.

Lesson 4: Technology Shapes Life . . . . . . . . . . . . . . . . . . . . . . . 1252
The Big Idea  Advances in technology have increased not only the pace but also the comfort and health of many Americans’ daily lives.

Lesson 5: The Changing Face of America . . . . . . . . . . . . . . . . 1260
The Big Idea  As the 20th century ended and the 21st began, the demographics of the U.S. population changed.
Timeline of Events 1991–2015

**United States Events**

- **1992** Bill Clinton is elected president.
- **< 1995** A domestic terrorist bombs the federal building in Oklahoma City.
- **< 1997** Madeleine Albright is the first woman to become secretary of state.
- **1998** President Clinton is impeached.
- **< 1999** In South Africa’s first all-race election, Nelson Mandela is elected president.
- **1994** Ethnic genocide causes chaos in Rwanda.
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One American’s Story

On January 20, 1993, William Jefferson Clinton was inaugurated as the 42nd president of the United States. Clinton entered the presidency at a time when America was at a turning point. A severe economic recession had made many Americans uneasy about the future. They looked to Clinton to lead a government that would be more responsive to the people.

“We must do what America does best: offer more opportunity to all and demand more responsibility from all. It is time to break the bad habit of expecting something for nothing from our Government or from each other. Let us all take more responsibility not only for ourselves and our families but for our communities and our country.

To renew America, we must revitalize our democracy.”

—William Jefferson Clinton, from his First Inaugural Address, January 20, 1993

Clinton’s speech recalled the one given by another president as he took office. In 1961 John F. Kennedy called on each American to “ask not what your country can do for you—ask what you can do for your country.” Clinton had admired Kennedy since he was a teenager, and he drew inspiration from this historic message in his own inaugural address in an effort to galvanize the nation to confront the challenges it faced.
Clinton Wins the Presidency

Governor William Jefferson Clinton of Arkansas became the first member of the baby-boom generation to win the presidency. He captured the White House at the age of 46. He attracted support by vowing to strengthen the nation’s weak economy and to lead the Democratic Party in a more moderate direction.

THE ELECTION OF 1992 After the U.S. victory in the Persian Gulf War in 1991, Republican president George H. W. Bush’s popularity had climbed to an 89 percent approval rating. Shortly after the war ended, however, the nation found itself in the grip of a recession. In early 1992, Bush’s approval rating nose-dived to 40 percent. In his run for reelection, President Bush could not convince the public that he had a clear strategy for ending the recession and creating jobs.

Throughout the presidential race, Bill Clinton campaigned as the candidate who would lead the nation out of its economic crisis. So did a third-party candidate—Texas billionaire H. Ross Perot. Perot targeted the soaring federal budget deficit as the nation’s most serious problem. A budget deficit occurs when the federal government borrows money to meet all its spending commitments. “It’s time,” Perot declared in his usual blunt style, “to take out the trash and clean up the barn.”

Election Day results, however, demonstrated that Clinton’s center-of-the-road strategy had the widest appeal. Though Clinton won, he captured only 43 percent of the popular vote. Bush received 38 percent, while Perot managed an impressive 19 percent.

A “NEW” DEMOCRAT Bill Clinton won the presidency in part by promising to move away from traditional Democratic policies. He also emphasized the need to move people off welfare and called for growth in private business as a means to economic progress.

In office, Clinton worked to move the Democratic Party toward the political center by embracing both liberal and conservative programs. According to an ally, Clinton hoped “to modernize liberalism so it could sell again.” By doing so, he sought to create a “new” and more inclusive Democratic Party.

KEY REFORMS Clinton had pledged to create a plan to guarantee affordable health care for all Americans. He especially wanted to help the millions of Americans who lacked medical insurance. Once in office, Clinton appointed First Lady Hillary Rodham Clinton, a skilled lawyer and child-welfare advocate, to head the team creating the plan. The president presented the health care reform bill to Congress in September 1993.

Congress debated the plan for a year. Intense lobbying by the health insurance industry and Republican attacks on the plan for promoting “big government” sealed its doom. In the end, Congress never even voted on the bill.

Another legislative effort had a more successful outcome. The Brady Handgun Violence Prevention Act was named for White House press secretary James Brady, who was shot during the attempted assassination of President Reagan in 1981. The Brady Law required that firearm buyers wait five
days before completing the purchase. After 1998 gun buyers would have to undergo a background check when making a purchase from a licensed dealer. The bill also prohibited certain persons, such as those convicted of a domestic violence crime, from owning firearms. President Clinton signed the bill into law in 1993. By 2009 the law had blocked almost 2 million firearm purchases.

Clinton and the congressional Republicans cooperated to reform the welfare system. In 1996 a bill was proposed to place limits on how long people could receive benefits. The bill was called the Personal Responsibility and Work Opportunity Act. Its goal was often characterized as “welfare-to-work.” The bill also put an end to a 61-year federal guarantee of welfare. It instead gave states “block grants”—set amounts of federal money they could spend on welfare or for other social concerns.

Although liberal Democrats feared the effects of eliminating the federal safety net for the poor, the president backed the bill. Over the next few years, states moved millions of people from welfare to jobs. Because of the strong economy, the transition was more successful than some had predicted.

A BALANCED BUDGET President Clinton had another success in his efforts to reduce the federal budget deficit. Clinton and the Republican-controlled Congress agreed in 1997 on legislation to balance the federal budget by the year 2002. The bill cut spending by billions of dollars, lowered taxes to win Republican support, and included programs aimed at helping children and improving health care.

A year later, Clinton announced that—for the first time in nearly 30 years—the federal budget had a surplus. That is, the government took in more money than it spent. Surpluses were used, in part, to pay down the nation’s debt, which had soared to around $5.5 trillion.

Perhaps the most effective tool in generating a surplus was the booming economy. About the time Clinton took office, the economy rebounded. Unemployment fell and the stock market soared to new heights. As a result, the government’s tax revenues rose. Fewer people received public aid. These factors helped slash the federal debt.

Reading Check
Analyze Issues
What were two ways Clinton showed his intention of being a “new Democrat”?

William Jefferson Clinton (1946– )
Bill Clinton was born in Hope, Arkansas, at the beginning of the baby boom. Although he might have become a professional musician, Clinton decided on a political career when he was about 16 years old. He earned a degree in international affairs at Georgetown University. Clinton also studied on a Rhodes Scholarship in England, where he organized protests against the Vietnam War. After graduating from Yale Law School, Clinton returned to his home state. He taught at the University of Arkansas School of Law and dived into politics. He became the state’s attorney general in 1977 and then governor of Arkansas in 1979 at the age of 32.
Clinton’s Foreign Policy

Conflicts and confused alliances grew in the wake of the Cold War. The question of U.S. intervention overseas and the globalization of the economy presented the United States with a host of new challenges.

RELATIONS WITH FORMER COLD WAR FOES  Maintaining strong relations with Russia and China became major goals for the Clinton administration. Throughout the 1990s, the United States and Russia cooperated on economic and arms-control issues. Still, Russia criticized U.S. intervention in Yugoslavia, where a bloody civil war raged. Meanwhile, U.S. officials protested against Russian attacks on rebels in the Russian region of Chechnya.

U.S. relations with China were strained as well. Clinton had stressed that he would lean on China to grant its citizens more democratic rights. As president, however, he put greater emphasis on increasing trade with the Asian giant. Despite concerns that Chinese spies had stolen U.S. defense secrets, Clinton supported a bill—passed in 2000—granting China permanent trade rights.

TROOPS ABROAD  With the Cold War over, the United States turned more of its attention to regional conflicts. President Clinton proved willing to use troops to end conflicts overseas. In 1991 military leaders in Haiti forced the elected president from office. Thousands of refugees fled the military leaders’ harsh rule. In 1994 President Clinton dispatched American troops to Haiti, and the military rulers were forced to step down.

Other interventions occurred in the Balkan Peninsula. In 1991 Yugoslavia broke apart into five nations. In Bosnia and Herzegovina, one of the new states, some Serb militias under Slobodan Milosevic began “ethnic cleansing,” killing or expelling from their homes people of certain ethnic groups. A horrific phase of the conflict occurred in Sarajevo, the Bosnian capital. Troops intent on creating a new Serbian state besieged the city and bombed it intermittently for about four years. These attacks killed more than 5,000 civilians. To defend the people from such human rights abuses, in 1995 the United States helped negotiate a peace agreement in Bosnia. Clinton sent U.S. troops to join NATO troops to help ensure the deal. About three years later, Serb forces attacked ethnic Albanians in the Serb province of Kosovo. The United States and its NATO allies launched air strikes against Serbian targets in 1999, forcing the Serbs to back down. American troops followed up by participating in an international peace-keeping force. In both Bosnia and Kosovo, the administration promised early withdrawal. However, the U.S. troops stayed longer than had been intended, drawing criticism of Clinton’s policies.

Two African countries also descended into chaos during Clinton’s tenure. A disastrous famine and civil war in Somalia had prompted President George H. W. Bush to send humanitarian aid and peace-keeping troops to that nation. During President Clinton’s first year in office, U.S. troops came under fire there and were caught behind enemy lines. Several were killed, and many others were wounded. The American public was horrified to see Somali rebels drag the bodies of two servicemen through the streets. The events in Somalia were a factor in the U.S. reluctance to intercede when an ethnic
genocide consumed Rwanda in 1994. The Hutus, the dominant ethnic group, massacred between 500,000 and 1 million Tutsis and other people. Although the international community knew of the slaughter, little was done until the worst was over. President Clinton later called not interceding in Rwanda to defend human rights his worst foreign policy failure.

**PROGRESS IN THE MIDDLE EAST**  President Clinton worked hard to calm the Israeli-Palestinian conflict. Negotiations led to a declaration of peace between Israeli prime minister Yitzhak Rabin and Palestine Liberation Army leader Yasser Arafat. The Oslo Accords, signed in 1993 at the White House, gave the Palestinians limited self-government in Gaza and the Israeli-occupied West Bank. The following year, Clinton helped convince Israel and Jordan to end their hostilities. Further negotiations that Clinton supported, however, did little to solve the region’s ongoing conflict.

**Partisan Politics and Impeachment**

While Clinton and Congress worked together on deficit reduction and welfare reform, relations in Washington became increasingly partisan. In the midst of political wrangling, a scandal rocked the White House. Bill Clinton became the second president in U.S. history to be impeached.

**REPUBLICANS TAKE CONTROL OF CONGRESS**  In mid-1994, after the failure of President Clinton’s health care plan and recurring questions regarding his leadership, Republican congressman Newt Gingrich began to turn voters’ dissatisfaction with Clinton into support for Republicans. He drafted a document called the **Contract with America**—ten items Republicans promised to enact if they won control of Congress. Parts of the document were inspired by President Ronald Reagan’s 1985 State of the Union Address. The “contract” included congressional term limits, a balanced-budget amendment, tax cuts, tougher crime laws, and welfare reform. The Republicans’ return to controlling Congress can be said to be a revival of the “Reagan revolution” that began with Reagan’s popularity in the 1980s.

In the November 1994 election, the Republicans handed the Democrats a humiliating defeat. Voters gave Republicans control of both houses of Congress for the first time since 1954. Chosen as the new Speaker of the House, Newt Gingrich was jubilant.

“I will never forget mounting the rostrum . . . for the first time. . . . The whole scene gave me a wonderful sense of the romance of America and the magic by which Americans share power and accept changes in government.”

—Newt Gingrich, from *To Renew America*

President Clinton and the Republican-controlled Congress clashed. Clinton opposed Republican budgets that slowed spending on entitlements such as Social Security and Medicaid. Clinton and Congress refused to compromise, and no budget was passed. As a result, the federal government shut
down for almost a week in November 1995 and again for several weeks in the next two months. The President and Congress did eventually work together to pass welfare reform.

THE 1996 REELECTION The budget standoff helped Clinton, as did the strong economy and passage of the welfare reform law of 1996, which suggested an improved working relationship with Congress. As a result, voters reelected Clinton in November 1996. With 49 percent of the popular vote, he outpolled the Republican nominee, U.S. Senator Bob Dole, and the Reform Party candidate, H. Ross Perot. Still, the Republicans maintained control of the House and Senate. Both President Clinton and Republican leaders pledged to work more cooperatively. Soon, however, the president faced his most severe problem yet.

CLINTON IMPEACHED President Clinton was accused of improperly using money from a land deal with the Whitewater Development Company to fund his 1984 gubernatorial reelection campaign. In addition, Clinton allegedly had lied under oath about having an improper relationship with a White House intern. In 1998 Clinton admitted that he had an improper relationship with the young woman, but he denied lying about the incident under oath or attempting to obstruct the investigation.

In December 1998 the House of Representatives approved two articles of impeachment, charging the president with perjury and obstruction of justice. Clinton became only the second president—and the first in 130 years—to face a trial in the Senate. At the trial a month later, the Senate fell short of the 67 votes—a two-thirds majority—required to convict him. Clinton remained in office and apologized for his actions.

The Economy During the Clinton Years

Americans heard a great deal of good news about the economy during the 1990s. Millions of new jobs were created between 1993 and 1999. In fact, by the fall of 2000, the unemployment rate had fallen to the lowest it had been since 1970. But not all the changes in the economy were positive.

MORE SERVICE, LESS SECURITY Chief among the far-reaching changes in the workplace of the 1990s was the explosive growth of jobs that occurred in the service sector, the part of the economy that provides services to consumers. Examples of jobs in the service sector include teachers, medical professionals, lawyers, engineers, store clerks, and waitstaff.
Low-paying jobs, such as in retail sales and fast food, grew most rapidly. These positions, often part-time or temporary, offered limited benefits. Many corporations, rather than invest in salaries and benefits for full-time staff, hired temporary workers, or temps. Corporations also began to **downsize**—trim payrolls to streamline operations and increase profits. Manpower, Inc., a temporary services agency, became the largest U.S. employer, earning $2 billion in 1993 when 640,000 Americans cashed its paychecks.

The nation’s shift to a service economy came at the expense of America’s traditional workplaces. Manufacturing, which surpassed farming mid-century as the largest job sector, experienced a sharp decline. In 1992, for example, 140,000 steelworkers did the same work that 240,000 had accomplished only 10 years earlier.

The decline in industrial jobs contributed to a drop in union membership. In the 1990s and early 2000s, unions had trouble organizing. Union membership became a source of conflict between many employers and their employees. High-tech and professional workers felt no need for unions, while low-wage service employees feared losing their jobs in a strike. Some workers saw their incomes decline. The increased use of computer-driven robots to make manufactured goods eliminated many jobs that had been filled by union members, but it also spurred a vibrant high-tech economy.

**HIGH-TECH INDUSTRIES** In the late 1990s entrepreneurs turned innovative ideas about computer technology into huge personal fortunes, hoping to follow in the footsteps of **Bill Gates**, the decade’s most celebrated entrepreneur. Gates founded the software company Microsoft. Another important high-tech entrepreneur of the time was **Steve Jobs**, who began Apple Inc. and revolutionized personal computers. **Michael Dell** made his fortune by selling computers directly to customers, ignoring the more typical retail method.

Many new businesses accompanied the explosive growth of the Internet late in the decade. Those with advanced training and specialized technical skills or a sense of entrepreneurial risk-taking saw their salaries rise. The

Robots increased production in America’s automotive factories but cost many workers their jobs.
NASDAQ (National Association of Securities Dealers Automated Quotation System), a technology-dominated stock index on Wall Street, rose dramatically as enthusiasm grew for high-tech businesses. These businesses were known as dotcoms, a nickname derived from their addresses on the World Wide Web, which often ended in “.com.” The dotcoms expanded rapidly and attracted young talent and, at times, excessive investment for such untested companies.

Thousands of smaller businesses were quick to anticipate the changes that the Internet would bring. Suddenly, companies could work directly with consumers or with other companies. Many predicted that the price of doing business would fall markedly and that overall worldwide productivity would jump dramatically. The expansion of new business was termed “The New Economy.”

However, the positive economic outlook fueled by “The New Economy” was short-lived. By 2000, the dotcom “bubble” had burst. Only 38 percent of online retailing made a profit. As a result, many dotcoms went out of business. This decline had many causes. Entrepreneurs often provided inadequate advertising for their e-companies. Also, many dotcoms had hard-to-use websites that confused customers. The unsuccessful dotcoms caused many investors to stop putting money in Internet businesses.

INTERNATIONAL TRADE AND COMPETITION

Trade had a global focus during President Clinton’s tenure. Seeing flourishing trade as essential to U.S. prosperity and to world economic and political stability, President Clinton championed the **North American Free Trade Agreement (NAFTA)**. This legislation would bring Mexico into the free trade zone that the United States and Canada already had formed. Supporters said NAFTA would strengthen all three economies and create more American jobs. Opponents insisted that NAFTA would transfer American jobs to Mexico, where wages were lower, and harm the environment because of Mexico’s weaker antipollution laws. Congress rejected these arguments, and the treaty was ratified by all three countries’ legislatures in 1993. Once the treaty took effect, on January 1, 1994, trade with Mexico increased.

In the past, the United States had engaged in protectionism to support domestic businesses. In contrast, the new global economy of the 1990s stood firmly for free trade. In 1994, in response to increasing international economic competition among trading blocs, the United States joined many other nations in adopting a new version of the General Agreement on Tariffs and Trade (GATT). The new treaty lowered trade barriers, such as tariffs, and established the World Trade Organization (WTO) to resolve trade disputes. The WTO is an organization that promotes trade and economic development. As President Clinton announced at the 1994 meeting of the Group of Seven (the world’s seven leading economic powers, which later became the Group of Eight when Russia joined in 1996), “[T]rade as much as troops will increasingly define the ties that bind nations in the twenty-first century.”

Free trade and the global economy had their critics, however. In late 1999 the WTO met in Seattle. Demonstrators protested that the WTO made decisions with little public input and that these decisions harmed poorer countries, the environment, and American manufacturing workers.
Another criticism of international trade agreements came from American workers worried that they would lose their jobs to countries that produced the same goods as the United States but at a lower cost, a practice often called outsourcing. Their fears turned out to be well founded. In the 1990s U.S. businesses frequently moved their operations to less economically advanced countries, such as Mexico, where wages were lower. After the passage of NAFTA, more than 100,000 low-wage jobs were lost in U.S. manufacturing industries such as apparel, auto parts, and electronics. Also, competition with foreign companies helped U.S. companies maintain low wages and decrease benefits.

With the increase of global trade, many U.S. businesses transformed into multinational corporations, or large corporations with branches in several countries. Multinational corporations are beneficial in that they provide new jobs, goods, and services around the world and spread technological advances. However, by building factories in countries with lax governmental regulations, some multinational corporations are able to use harmful environmental and labor policies, leading to pollution and unsafe working conditions.

Crime and Terrorism in the 1990s

The improved economy—along with larger police forces—combined to lower crime rates in the 1990s. However, fears were raised by acts of violence and terrorism that occurred both within the country’s borders and in other nations. Several attacks were particularly disturbing, although they were not the only incidents.

TERRORISM ON THE HOME FRONT In 1993 Islamic terrorists exploded bombs in the World Trade Center in New York City to protest U.S. support for Israel. This event was an early expression of politicized Islam. The incident was followed by a 1995 blast that destroyed a nine-story federal office building in Oklahoma City, killing 168 children, women, and men. Timothy McVeigh, an American veteran of the Gulf War and antigovernment radical, was found guilty in the Oklahoma bombing. He was executed in 2001, the first use of the federal death penalty in 38 years. Another domestic terrorist,
Reading Check
Analyze Effects
How do you think the American public responded to the terrorist attacks described?

Ted Kaczynski, often called the Unabomber, was arrested and jailed for several crimes in 1996. Over many years, Kaczynski had detonated numerous homemade bombs to protest modern technology and industrialization. He killed three people and injured 23 others. Also in 1996, a park near the Summer Olympics in Atlanta was rocked by a deadly bomb planted by antigay, antiabortion terrorist Eric Rudolph. He set off more bombs before being caught in 2003 and imprisoned.

A shocking crime occurred in April 1999 at Columbine High School in Colorado. Two students killed 12 classmates and a teacher and wounded 23 others, then shot themselves. Americans were appalled at copycat crimes that began to occur. Some called for tougher gun control, while others argued that exposure to violent imagery in the media should be curtailed.

**ATTACKS ABROAD** American citizens also came under attack in other countries. Various militant Islamic groups were blamed. In June 1996 in Dhahran, Saudi Arabia, a bomb exploded near the Khobar Towers, a building where U.S. Air Force personnel were staying. Almost 500 people of various nationalities were injured, while 19 U.S. service members were killed. Anonymous communications indicated the attackers' goal was to get U.S. troops out of Saudi Arabia. Iran and Hezbollah, a militant organization based in Lebanon, were determined to be responsible.

Then, in 1998, two U.S. embassies in East Africa came under attack. One was in Dar es Salaam, Tanzania, where explosives killed 10 people. At about the same time, a blast at the embassy in Nairobi, Kenya, cost more than 200 lives. Many more people, mostly local residents, suffered serious wounds. The attacks were linked to a group called Egyptian Islamic Jihad. Motivation for the attack was unclear. In response to the attacks, President Clinton ordered cruise missile strikes on targets in Afghanistan and Sudan believed to be connected to the bombers.

In October 2000 a suicide bomber attacked a U.S. Navy destroyer, the USS Cole, while it was in the harbor of Aden, Yemen. There were 56 casualties among the personnel on board. The terrorist organization al-Qaeda claimed responsibility for the slaughter, but a U.S. judge ruled that the government of Sudan was responsible for inciting the attack.

**Lesson 1 Assessment**

1. **Organize Information** Create a timeline of President Clinton's major actions during his two terms.

2. **Key Terms and People** For each key term or person in the lesson, write a sentence explaining its significance.

3. **Analyze Causes** How did the end of the Cold War and the decline of communism affect the global power structure and Clinton's foreign policy?

   **Think About:**
   - changes in Eastern Europe
   - the fall of the Soviet Union
   - increasing trade with communist China

4. **Analyze Motives** What were the reasons behind some of the terrorist attacks during the Clinton administration?

5. **Compare and Contrast** What are some examples of when President Clinton and Congress conflicted and when they cooperated?
The Big Idea
Acts of terrorism, a troubled war, and a faltering economy dominated the millennium’s first decade.

Why It Matters Now
Both domestic issues and foreign conflicts that began during the 2000s still simmer and require resolution.

Key Terms and People
Al Gore
George W. Bush
Osama bin Laden
al-Qaeda
Taliban
USA PATRIOT Act
weapons of mass destruction (WMD)
Sarbanes-Oxley Act
Great Recession
housing bubble
Troubled Asset Relief Program (TARP)

One American’s Story

Terrorist attacks on the United States shocked the world on September 11, 2001. Americans, united in grief and anger, looked to their president for assurance that the perpetrators would be brought to justice. President Bush took action against the attackers and their protectors in Afghanistan. In an October speech, he promised the nation that the terrorists would find no rest.

“On my orders, the United States military has begun strikes against al-Qaeda terrorist training camps and military installations of the Taliban regime in Afghanistan. These carefully targeted actions are designed to disrupt the use of Afghanistan as a terrorist base of operations, and to attack the military capability of the Taliban regimes. . . . Initially, the terrorists may burrow deeper into caves and other entrenched hiding places. Our military action is also designed to clear the way for sustained, comprehensive and relentless operations to drive them out and bring them to justice.”

—George W. Bush, from his Address to the Nation, October 7, 2001

Thus began U.S. efforts to punish those guilty of the most devastating terrorist attack in U.S. history. Those efforts would dominate George W. Bush’s years in the White House as goals became less clear and fighting dragged on. President Bush’s tenure began with controversy.
The Race for the White House

In the 2000 presidential race, the Democrats chose Vice-President Al Gore to succeed Bill Clinton. The Republicans nominated George W. Bush, governor of Texas and the son of the former president. Ralph Nader, a long-time consumer advocate, ran for the Green Party. Nader’s party championed environmental causes and promoted an overall liberal agenda. Throughout the campaign, debates focused on military intervention on foreign soil, health care, the environment, affirmative action, and similar topics.

On the eve of the election, polls showed that the race would be tight. In fact, the election proved one of the closest in U.S. history. The Electoral College played a major role in the long, drawn-out decision process.

ELECTION NIGHT CONFUSION As election night unfolded, Al Gore appeared to take the lead. The television networks projected that he would win Florida, Pennsylvania, and Michigan. These states were rich in Electoral College votes that would ultimately decide the winner of the race. Then, in a stunning turn of events, the TV networks recanted their original projection about Gore’s victory in Florida. The networks proclaimed the state “too close to call.” All eyes turned to Florida, a “swing state”—one where neither candidate had a clear lead. Although George W. Bush’s brother Jeb, also a Republican, was the governor and enjoyed wide support, retirees who had moved from the Northeast, as well as the state’s growing Hispanic population, provided many Democratic votes. Florida’s 25 electoral votes were at stake, but no one knew to whom they would be awarded.

The election vote count ground on past midnight. At 2:00 a.m., the networks predicted Bush the winner of Florida—and the presidency. However, as the final votes in Florida rolled in, Bush’s lead shrank. The state again became too close to call. By the next day, Al Gore had won the popular vote by more than 500,000 votes out of 105 million cast across the nation. Meanwhile, George Bush’s razor-thin victory in Florida triggered an automatic recount.

FROM FLORIDA TO THE COURTS Soon, lawyers and spokespersons went to Florida to try to secure victory. The recount of the state’s ballots gave Bush a win by just over 500 votes. But the battle for the presidency did not end there. The Gore campaign requested manual recounts in four mostly Democratic counties. Bush representatives expressed their opposition. James A. Baker III, former secretary of state and leader of the Bush team in Florida, argued that such recounts would raise the possibility of political mischief.

Manual recounting began, but the results from several recounts were unclear. Republican Florida secretary of state Katherine Harris stepped in and declared Bush the winner of the state’s electoral votes. A long court fight followed. The battle ultimately reached the Supreme Court in a case titled Bush v. Gore. On December 12, the Court voted 5 to 4 to stop the recounts, thus awarding the Florida electoral votes and the presidency to Bush. The justices argued that manual recounts lacked uniform standards and, therefore, violated equal protection for voters. The Court’s decision did not put an end to accusations of wrongdoing, however.

Reading Check

Analyze Issues
How did the election of 2000 highlight both the weaknesses and the strengths of America’s election process?
September 11 and the Aftermath

George W. Bush was inaugurated as the 43rd president of the United States on January 20, 2001. His vice-president was Dick Cheney, a former congressman and secretary of defense for President George H. W. Bush. The secretary of state was Colin Powell, the first African American to fill that office. An important member of the Bush team was his national security advisor, political science scholar Condoleezza Rice. Rice would later become secretary of state, the first African American woman to hold the office. Before the new administration could accomplish much, however, the nation was struck by a terrorist attack that shocked the world.

A DAY OF DISASTERS Although American embassies and military targets abroad were subject to sporadic and deadly terrorist attacks during the 1990s, the country was not prepared for the devastating attacks that took place on its own soil the morning of September 11, 2001.

Nineteen Arab terrorists hijacked four commercial jets and used them as missiles in an attempt to destroy predetermined targets. In a coordinated effort, two of the planes struck the twin towers of the World Trade Center in New York City, one crashing just minutes after the other. The jets blew up on impact. Explosions and raging fire severely weakened the towers. Within two hours after the attacks, both skyscrapers had crumbled to the ground. The tallest buildings of New York City’s skyline, the symbolic center of American finance, had been leveled. About an hour later, a third plane tore into the Pentagon building, the U.S. military headquarters outside Washington, DC. Air travel ceased almost immediately. Across the nation, planes in the air were ordered to land. During the evacuation of the White House and the New York City financial district, a fourth hijacked plane crashed near Pittsburgh, Pennsylvania. Onboard that plane, passengers had fought the hijackers. As a result of their courage, the plane went down before hitting its presumed target, either the White House or the U.S. Capitol.

About 3,000 people were killed in the attacks—the most destructive acts of terrorism in modern history. These included all the crew and passengers on all four planes, workers and visitors in the World Trade Center and the Pentagon, and hundreds of rescue workers.

RESCUE AND RECOVERY Amidst the brutal destruction at the World Trade Center, the courage, selflessness, and noble actions of New York City’s firefighters, police officers, and rescue workers stood as a testament to the human spirit. Many of the first firefighters at the scene disappeared into the burning buildings to help those inside and never came out again. Entire squads were lost. Rescuers worked around the clock trying to find survivors in the wreckage. They had to contend with shifting rubble and smoky, ash-filled air. Medical workers from the area rushed to staff the city’s trauma centers. But after the first wave of injured were rescued, there were few survivors to treat, only bodies to recover.

A flood of volunteers assisted rescue workers. From around the country, people sent generous donations of blood, food, and money to New York City.
After the first few days, however, the work at “ground zero,” the World Trade Center disaster site, shifted to recovering bodies and removing the massive amount of debris. The destroyed twin towers accounted for an estimated 2 billion pounds of rubble.

**PURSUING THE ATTACKERS** After conducting a massive investigation, the U.S. government determined that **Osama bin Laden**, a Saudi Arabian millionaire, had directed the terrorists responsible for the September 11 attacks. The terrorists were part of the **al-Qaeda** network, a global, militant Islamist organization. The home base for al-Qaeda was Afghanistan, ruled by a strict fundamentalist Islamic regime called the **Taliban**. The Taliban supported the terrorist group. In return, bin Laden provided fighters to the Taliban.

The United States, led by President George W. Bush, built an international coalition, or alliance, to fight terrorism and the al-Qaeda network. After the Taliban refused to turn over bin Laden, coalition forces led by the United States began military action in Afghanistan. In October 2001 the United States launched Operation Enduring Freedom. The military began bombing Taliban air defenses, airfields, and command centers, as well as al-Qaeda training camps. Within two months, U.S. forces and fighters from the Northern Alliance, a coalition of anti-Taliban Afghan troops, drove the Taliban from power. Osama bin Laden, however, remained at large.

Direct elections were held for the first time in Afghanistan in October 2004. The Afghan people chose interim president Hamid Karzai as their first democratically elected president. Although Afghanistan still faced many problems, the elections were seen as a positive move toward resolving them.
ANTITERRORIST MEASURES The attacks of September 11 altered the way Americans looked at life. For the first time, many Americans became afraid that terrorism could happen in their own country at any time. The political landscape also changed dramatically. Patriotism surged to an all-time high. The Bush administration, now with the overwhelming support of Congress and the American people, shifted its energy and attention to combating the threat of terrorism.

To give the government the power to conduct search and surveillance of suspected terrorists, the **USA PATRIOT Act** was signed into law on October 26, 2001. (The letters in the name stand for Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism.) This law allowed the government to:

- detain foreigners suspected of terrorism for seven days without charging them with a crime. In some cases, prisoners were held indefinitely.
- tap all phones used by suspects and monitor their email and Internet use.
- make search warrants valid across states.
- order U.S. banks to investigate sources of large foreign accounts.
- prosecute terrorist crimes without any time restrictions or limitations.

People who opposed the law claimed that it violated the First, Fourth, Fifth, Sixth, and Seventh Amendments to the U.S. Constitution. In 2005 it was revealed that President Bush had ordered the National Security Agency (NSA) to spy on American citizens’ international telephone calls and emails without obtaining warrants.

Shortly after passage of the USA PATRIOT Act, Bush created the Department of Homeland Security, a government body set up to coordinate national efforts to combat terrorism. It was initially headed by former Pennsylvania governor Tom Ridge. This executive department was designed to analyze threats; guard the nation’s borders, seaports, and airports; and coordinate the country’s response to attacks. To help share information about the risk of terrorist attacks with the American people, the department created the Homeland Security Advisory System. This system used a set of “Threat Conditions” to advise the public about the level of terrorist threats. It also provided guidelines for response during a period of heightened alert.

The Department of Homeland Security also searched for terrorists in the United States. The government soon discovered that the al-Qaeda network had used “sleepers” to carry out its terrorist attacks. Sleepers are agents who enter a country and blend into a community. When called upon, the sleepers secretly prepare for and commit terrorist acts. An intensive search began for any al-Qaeda terrorists, including sleepers that remained in the United States. U.S. officials detained and questioned Arabs and other Muslims who behaved suspiciously or violated immigration regulations.

Due to the use of airplanes to carry out the September 11 attacks, aviation security was a key focus of antiterrorist measures. National Guard troops began patrolling airports, and sky marshals were assigned to airplanes. In addition, the Federal Aviation Administration (FAA) had bars installed on cockpit doors to prevent hijackers from entering cockpits.
In November 2001 President Bush signed into law the Aviation and Transportation Security Act. This law made airport security the responsibility of the federal government. Previously, individual airports had been responsible for their own security. Because of this new law, an agency called the Transportation Security Administration (TSA) was created to inspect airline passengers, baggage, and cargo, as well as noncitizens training to be pilots. The TSA is also responsible for safety on railroads, buses, and mass transit systems. Security operations at airports created several major concerns, including long delays and possible invasion of passengers’ privacy.

Other countries, too, took steps to prevent further terrorist attacks. Many passed antiterror legislation, froze bank accounts suspected of al-Qaeda ties, and arrested suspected terrorists. Assessing the success of such measures is difficult, however.

**Bush’s Foreign Policy**

Antiterror efforts marked the early years of the Bush presidency. Those efforts would soon become more complex. The Bush administration claimed that Iraq’s leader, Saddam Hussein, supported the al-Qaeda terrorists who had carried out the September 11 attacks. That allegation was one reason why the administration took further action in the Middle East.

**THE WAR AGAINST IRAQ BEGINS** In 2003 Bush expanded the war on terrorism to Iraq. Following the Persian Gulf War, Iraq had agreed to UN demands to stop the production of biological, chemical, and nuclear weapons, called weapons of mass destruction (WMD). However, throughout the 1990s Iraqi president Saddam Hussein cooperated only partly with UN arms inspectors. He eventually barred them from entering his country.

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**Document-Based Investigation Historical Source**

**Knowns and Unknowns**

Whether or not Iraq still controlled WMD became a hot topic, including at a news briefing where Secretary of Defense Donald Rumsfeld described the difficulty of learning the truth.

“Reports that say that something hasn’t happened are always interesting to me, because as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns—the ones we don’t know we don’t know. And if one looks throughout the history of our country and other free countries, it is the latter category that tend to be the difficult ones.”

—Donald Rumsfeld, from a Department of Defense hearing, February 2002

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**Analyze Historical Sources**

Why do you think Rumsfeld’s comments were both criticized and praised? With which stance do you agree, and why?
After the September 11 attacks, Bush alleged that Hussein was supporting terrorists and might supply them with WMD. Bush called for renewed arms inspections in Iraq. The inspectors determined that Iraq had not resumed its WMD programs, but Hussein had again not cooperated fully with the inspection process.

The United States and Great Britain ended diplomacy with Iraq and invaded in March 2003. Within a month, Iraq's forces were defeated. In May President Bush declared the end of major military operations in Iraq. The president’s popularity increased with the conflict's initial success. U.S. forces captured Saddam Hussein in December 2003. The former dictator was later tried and executed by the Iraqi government.

**THE WAR CONTINUES** U.S. forces then began an intensive search for WMD in Iraq. No traces of nuclear, chemical, or biological weaponry were found. This caused many Americans to question the war’s original goal. Critics who accused the administration of invading Iraq to secure the country’s vast oil reserves became more vocal. Some critics feared that war would inspire more terrorism, not reduce it. In contrast, many supporters of the war maintained that toppling Saddam Hussein was reason enough to invade, even though no link between him and al-Qaeda could be found.

Meanwhile, the situation in Iraq deteriorated. Various Iraqi groups fought each other. Some observers believed that Iraq was headed for a civil war. They feared it would become a breeding ground for more terrorism. The war was also costing hundreds of billions of dollars, and the number of soldiers killed in action was mounting. In September 2004 the toll passed 1,000. (The number of deaths would rise, to 4,491 between 2003 and 2015.) The tally of Iraqi deaths varied widely, but most reliable sources counted almost 200,000, the majority of whom were civilians. As Americans watched the war unfold on the evening news, its popularity dropped. So too did the president’s approval rating.

**POLICIES FOR IRAN AND ISRAEL** President Bush also faced other challenges in the Middle East. For many years, Americans had worried that Iran's repressive and unstable Islamist government would acquire nuclear weapons.
During Bush’s tenure, the UN Security Council passed a resolution requiring Iran to stop enriching uranium—a step crucial to building nuclear weapons—and promising to impose sanctions if Iran persisted in doing so. The resolution was seen as a success for Bush’s foreign policy.

Bush addressed the Israeli-Palestinian conflict, too. He called for a separate Palestinian state to be established. Along with Russia, the European Union, and the United Nations, he called for a “road map” to settle the region’s longstanding struggle. The plan required compromises on both sides. Neither side gave in on crucial points, however, so the plan was never put into practice.

**ADDITIONAL CONTROVERSIES** In 2002 President Bush established a prison at Guantanamo Bay Naval Base, in Cuba. The prison housed people who had been detained during antiterror actions. The Bush administration alleged that the Guantanamo prisoners did not qualify for basic protections under the Geneva Conventions—documents that define the rights of wartime prisoners. The U.S. Supreme Court later disagreed. Allegations of inmate mistreatment and torture have plagued the prison. Subsequent efforts to close it have not succeeded.

Stories of another prison made headlines in 2003. Investigations showed that U.S. personnel abused and even tortured detainees in Iraq's Abu Ghraib (ä’ bōō grēb) prison. Photos of grinning American soldiers leashing prisoners like animals, beating them while handcuffed, and forcing them into humiliating, painful positions disgusted many Americans. Although the U.S. Department of Defense disciplined several of the abusive guards, the scandal tarnished the public image of the administration's war on terror. Outrage over Abu Ghraib further eroded America’s image in the region—already dismal, due to the widespread fighting and many Iraqi civilian deaths.

**Bush's Domestic Goals**

During his first months as president, Bush began to advance his political agenda. His actions followed a basically conservative viewpoint.

**DOMESTIC ISSUES** President Bush established education reform as a key accomplishment. He signed into law a plan titled No Child Left Behind (NCLB). This plan called for mandatory testing of basic skills at select grade levels. Students would be tested on their achievement of standards developed by each state. The law also required that schools’ test scores improve at a defined rate. A school judged to be inadequate would be subject to various corrective actions. Under NCLB, parents could transfer their children out of schools that had not made the required progress.

Bush took pro-business stances on several issues. For example, he supported opening the Arctic National Wildlife Refuge to oil drilling. His Clear Skies Initiative promised to cut emissions of mercury and other pollutants. But critics said that it would actually allow polluters, such as power plants, to make environmental problems worse. On global climate change, Bush acknowledged that the threat was real, but refrained from blaming human
activity as the cause. However, Bush did propose increased funding for research into renewable energy sources.

Social Security was of particular interest to President Bush. He supported partial privatization of Social Security. That is, Bush favored allowing an individual to assume responsibility for investing part of his or her Social Security payments in a different pension plan. The proposal was not approved.

On social issues, President Bush also upheld conservative views. He promoted efforts to limit access to abortion and supported capital punishment. He received bipartisan support, however, for signing the Amber Alert bill into law. This law created a nationwide system for alerting the public about child abductions.

**THE 2004 ELECTION** Although the Bush administration received much initial support for the war on terrorism, many Americans came to question the decision to invade Iraq. They were dismayed by the failure to find WMD there. But despite deep divisions among the American people, President Bush was reelected in 2004.

During Bush’s second term, discontent about the war grew. At the same time, controversies arose over warrantless spying on American citizens and allegations that the administration allowed torture of terrorist suspects. The Bush administration was also criticized over a delayed and ineffective response to Hurricane Katrina in 2005. In the 2006 midterm elections, Democrats regained control of both the House and the Senate.

**Confronting Economic Problems**

A flurry of economic issues plagued the Bush years. At the beginning of his tenure, the country enjoyed a national surplus. By the end of his presidency, the surplus had reversed into a large deficit. The wars in Afghanistan and Iraq had driven military spending to new heights. The continued threat of terrorism also had a negative effect on the economy, which by 2003 was sagging. That year, Congress passed and Bush signed into law a $350 billion tax cut. Bush claimed the cut would help the economy and create jobs. Democrats in Congress opposed the tax cut, saying it would mostly benefit the rich and would not promote job creation. The Democrats were overruled, however, because the Republican Party had regained control of the Senate in the 2002 midterm elections.
CORPORATE SCANDALS  In 2001 and 2002 the U.S. economy was hard hit by corporate scandals. Enron, an energy company, was charged with using illegal accounting practices. The company declared bankruptcy, and several of its top officials were convicted of federal crimes. WorldCom, a telecommunications corporation, filed what was then the largest bankruptcy claim in U.S. history. WorldCom had to pay billions of dollars in penalties and restitution to investors. Congress responded to the scandals by passing the Sarbanes-Oxley Act. This act established a regulatory board to oversee the accounting industry and its involvement with corporations. Damage had been done, however, as some investors began to lose faith in corporations.

CAUSES OF THE GREAT RECESSION  Toward the end of 2007, the country was entering a financial crisis. Questionable decisions by several major banking firms caused them to collapse, creating a ripple effect throughout the banking industry. A general economic slowdown resulted. By 2008 observers were saying the economy had entered a Great Recession, a severe decline in economic activity. In fact, the economy suffered its worst decline since the Great Depression of the 1930s. And like the Great Depression, other countries also faced big problems. Although economists debate the details regarding the recession’s origins, some basic causes stand out:

- government failure to regulate financial institutions
- risk-taking by financial firms
- mortgage loans to people who could not afford them
- excessive borrowing by individuals and companies

Risky moves had become commonplace, especially for investment banks that operated without much government oversight. Some of these institutions, including Lehman Brothers, Morgan Stanley, and Goldman Sachs, faced bankruptcy when they could not fulfill their obligations. Their problems spread to regular banks.

For the previous two decades, U.S. government policies had encouraged home ownership, but without proper safeguards. Alan Greenspan, chairman of the Federal Reserve System, approved low mortgage interest rates. A boom in housing construction resulted, as more and more Americans could take out mortgage loans. Many families borrowed money to buy homes that were overpriced. Widespread overpricing of residential real estate was called the housing bubble. Moreover, financial institutions had made mortgage loans to families who did not earn enough income to pay back the money. High private debt became a problem for countless American families. At the end of 2007, the average household debt was 127 percent. That is, an average family that earned $50,000 per year was $63,500 in debt.

THE U.S. ECONOMY IN RECESSION  For countless people, attaining the American Dream suddenly seemed impossible. As unstable financial institutions failed, even financially secure banks cut back on lending. As a result, businesses found it difficult to get the credit they needed to invest in new inventory or pay their employees, much less hire new ones. Unemployment rose from 5 percent to 10 percent by late 2009. The number of Americans without jobs went from about 7 million to 15 million. In general, incomes fell.
Younger workers suffered higher rates of unemployment. In 2008 about 14 percent of workers aged 16 to 24 did not have jobs.

Housing prices dropped about 30 percent. When the housing bubble burst and home prices fell, many homeowners owed more on their mortgages than their houses were worth on the market. If they had lost their jobs, these people could neither make their mortgage payments nor sell their homes. Their situation was called being “underwater.” Banks foreclosed on the homes of thousands of Americans who could not make their mortgage payments. That is, the banks took back the houses so they could be resold, and the residents had to find new places to live. During 2007 alone, nearly 1.3 million properties were threatened with foreclosure.

Stock prices also dropped, by about 57 percent. As a result, pensions and savings lost billions in value. Retirees saw their savings dwindle. While stock values dropped, the U.S. national debt rose from 66 percent of gross domestic product (GDP) to over 103 percent.

President Bush tried to limit the damage. In October 2008 he signed the Troubled Asset Relief Program (TARP), which would authorize $700 billion to stabilize the U.S. banking and automobile industries. (The amount was later reduced to $475 billion.) Some critics called the act a “bailout” funded by taxpayers. Supporters said the action was essential to keep the U.S. banking system from crashing completely.

The Great Recession had begun just when Americans were looking toward the next presidential election. Concerns about the war in Iraq and the fragile economy would dominate the 2008 campaign.

### Lesson 2 Assessment

1. **Organize Information** Create a chart that describes the causes and results of the economic problems of the Bush years.

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<thead>
<tr>
<th>Causes of Economic Problems</th>
<th>Results of Economic Problems</th>
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2. **Key Terms and People** For each key term or person in the lesson, write a sentence explaining its significance.

3. **Form Opinions** Do you think President Bush’s decision to invade Iraq was justified? Explain why or why not.

   **Think About:**
   - arms inspections in Iraq
   - fear created by the September 11 attacks
   - the search for WMD

4. **Evaluate** Why do some people think the USA PATRIOT Act is unconstitutional?

5. **Predict** Do you think the actions taken by the United States and other countries to prevent terrorism will be effective? Why or why not?

**ORIGINS OF THE CASE**
In 1998 a private company proposed building a research facility on a large piece of unused land in New London, Connecticut. Hoping the new facility would revive the surrounding area’s economy, the city planned to use its power of eminent domain to give nearby land to a private developer. The developer intended to tear down the private homes that were occupying the land in order to build a hotel, restaurants, shops, offices, and private high-rise apartments. The city believed these projects qualified as public use, but local homeowners including Susette Kelo disagreed and took the matter to the courts.

**THE RULING**
The Supreme Court ruled that the planned development of the land qualified as a public use because it was intended to improve the city’s poor economy.

**LEGAL REASONING**
The Fifth Amendment’s Takings Clause gives the government the right of eminent domain, the power to take private property for public use. The question in *Kelo v. City of New London* was whether the economic benefits of a private development constitute public use under the Fifth Amendment. Justice John Paul Stevens, writing for the 5–4 majority, ruled:

“For more than a century, our public use jurisprudence has wisely eschewed [avoided] rigid formulas and intrusive scrutiny in favor of affording legislatures broad latitude in determining what public needs justify the use of the takings power.”

According to the Court, the Fifth Amendment did not require a literal definition of public use; the “broader and more natural interpretation of public use as ‘public purpose’” was sufficient. In her dissenting opinion, Justice Sandra Day O’Connor argued that the decision blurred the distinction between private and public use of property.

“Under the banner of economic development, all private property is now vulnerable to being taken and transferred to another private owner, so long as it might be upgraded—i.e., given to an owner who will use it in a way that the legislature deems more beneficial to the public—in the process.”

**LEGAL SOURCES**

<table>
<thead>
<tr>
<th>U.S. CONSTITUTION</th>
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<tr>
<td><strong>U.S. Constitution, Fifth Amendment (1791)</strong></td>
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<tr>
<td>“[N]or shall private property be taken for public use, without just compensation.”</td>
</tr>
<tr>
<td><strong>U.S. Constitution, Fourteenth Amendment (1868)</strong></td>
</tr>
<tr>
<td>“[N]or shall any state deprive any person of life, liberty, or property, without due process of law. . . .”</td>
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**RELATED CASES**

*Berman v. Parker (1954)*
The Court interpreted the Takings Clause of the Fifth Amendment, determining that private property can be taken for a “public purpose” with just compensation.

*Hawaii Housing Authority v. Midkiff (1984)*
The Court held that the power of eminent domain allowed a state to take property from an oligopoly for distribution to a wider population of private residents.
WHY IT MATTERED

The Fifth Amendment protects an individual’s right to own private property. This protection is one of the principles upon which our economic system is based. However, the same amendment also gives government the right to take private property for public use, with just compensation. This right allows government officials to force property owners to sell their land to the government at what is determined to be a fair price. In many instances, the government’s use of eminent domain is beneficial for communities and the individuals and industries that live and operate there. For example, for years the right has been used to create public roads or railroad tracks that improve transportation and make trade more efficient, benefiting the community as a whole. By expanding the definition of public use to include ventures by private developers, *Kelo* has also expanded the circumstances under which local governments can seize private property. This decision has the potential to broaden the impact of governmental actions on individuals, industries, and communities with respect to Fifth Amendment property rights. Some observers worried that the *Kelo* decision would allow governments to take actions that would benefit some at the expense of the others.

HISTORICAL IMPACT

The *Kelo* decision has served as something of a cautionary tale. Many Americans worried that the ruling gave local government too much power to abuse its right of eminent domain. In response, 43 state legislatures and 8 state supreme courts have taken measures to restrict the use of eminent domain and strengthen property rights protections. In June 2013 the House Judiciary Committee approved the Private Property Rights Protection Act, which would prohibit governments that receive federal funds from using eminent domain to transfer private property from one owner to another for economic development. The legislation is a direct response to the *Kelo* ruling. In New London, the company whose research facility prompted the development has announced plans to leave the area, and the condemned and bulldozed neighborhood where Susette Kelo once lived remains vacant.

Critical Thinking

1. **Connect to History**  Do research to find another example of a government exercising its right of eminent domain. Explain how the government’s actions in that instance affected individuals, industries, and the community.

2. **Connect to Today**  Do you think the government’s right of eminent domain always serves the public good? What impact does such an action have on Fifth Amendment property rights? Explain your opinion, as well as any circumstances under which your perspective might change.
One American’s Story

The U.S. economy plunged into a recession, starting in 2007. As Americans lost their jobs and the value of their homes dropped, many of them blamed the Republican administration of George W. Bush. One result was the election of Barack H. Obama, the country’s first African American president. He faced the difficult task of repairing the economy. A particularly knotty problem was dealing with big banks, some of which had knowingly taken risks at the consumers’ expense by trading in troubled loans, often called assets. A few months after the election, Senator Barbara Boxer, a California Democrat, addressed the issue during a congressional hearing.

“Our President faces very hard choices when it comes to straightening out this mess. But the American people want him to try and try he is.

If we can get these bad assets off the hands of these banks and get them lending again, we basically save the financial system. If we don’t save the financial system, we are going to have to take it over. This President does not want to do that and I do not want to do that and I do not think most Americans want that. So he is doing what it takes.”

—Barbara Boxer, from the Congressional Record—
Senate, Vol. 155, Pt. 7, March 25, 2009

A highly contentious campaign season preceded Obama’s election.
The 2008 Election

The war in Iraq and a deteriorating economy contributed to President Bush’s unpopularity, which dampened Republican chances in the next election. The Democratic Party hoped to regain the presidency in 2008. Their nominee was Barack Obama, a young U.S. senator from Illinois and the son of a white mother and African father. Senator Obama placed a challenge before American voters when he accepted the nomination at the Democratic convention.

“America, we cannot turn back... not with so much work to be done; not with so many children to educate, and so many veterans to care for; not with an economy to fix, and cities to rebuild, and farms to save; not with so many families to protect and so many lives to mend. America, we cannot turn back. We cannot walk alone.”

—Barack H. Obama, from his acceptance speech at the Democratic National Convention, August 28, 2008

Obama’s running mate was Joe Biden, a long-time senator from Delaware. Running on the Republican ticket was Senator John McCain of Arizona, a hero of the Vietnam War. His running mate was Sarah Palin, the governor of Alaska. McCain was widely seen as a moderate Republican, but Palin appealed to more conservative Republicans. Throughout the campaign, speeches and debates focused on both the economy and foreign policy. The Obama-Biden ticket won a clear victory.

During the 2008 election, the Democratic Party also increased its majority in the U.S. House of Representatives. Helping to set the congressional agenda as Speaker of the House was California Democrat Nancy Pelosi, the first woman to hold that position.

Obama’s Domestic Agenda

Shortly before the 2008 election, President Bush had signed the Troubled Asset Relief Program (TARP). The law authorized the U.S. secretary of the Treasury to spend up to $700 billion to buy problematic assets from banks and to send cash directly to banks in danger of failure. The so-called “bail-out” for the banks came under criticism prior to Obama’s inauguration and remained controversial throughout his tenure.

STIMULATING THE ECONOMY Upon taking office, Obama pushed through his own economic stimulus package to combat the recession. In 2009 he signed the American Recovery and Reinvestment Act (ARRA), which distributed over $8 billion in funds to individuals in the form of tax credits and through programs such as Medicaid, food stamps, and unemployment benefits. Among the provisions were credits for college tuition and home
improvements to increase energy efficiency. ARRA also affected the private sector through grants and loans for government contracts awarded to American businesses. As part of the ARRA, about 98 percent of Americans got a tax cut. Federal taxes were at their lowest level in 60 years. Some state and local taxes increased, however.

"Government intervention in the economy was necessary to prevent disaster."

The U.S. government committed more than $700 billion to fighting the effects of the recession that began in 2008. Supporters of government action say that this bailout was necessary to prevent the worst financial disaster since the Great Depression.

Although the crisis had been created by banks and investment firms, its effects would be felt far and wide. The bailout was intended to prevent an economic collapse that would damage the livelihood of the average American. As President Bush said to the American people in a 2008 radio address, “The rescue effort we’re negotiating is not aimed at Wall Street; it is aimed at your street.”

Much of the bailout money went to prop up failing banks. Supporters noted that the nature of the American financial system made government intervention necessary. Banks—especially the largest banks—had grown so intertwined that the failure of one would have catastrophic results on others. If one of the largest banks, those deemed “too big to fail,” collapsed, it could take the whole economy with it, they argued. President Obama explained, “As a result, the failure of one firm threatened the viability of many others. We were facing one of the largest financial crises in history, and those responsible for oversight were caught off guard and without the authority to act.”

Criticism of the government’s intervention came from both sides of the political divide. Some opponents of the financial bailout feared that the government’s measures would weaken the economy in the long run. By helping large banks recover—an action that Republican Speaker of the House John Boehner called “giving special perks to those who have acted irresponsibly”—the government would encourage businesses and financial institutions to take reckless risks with the assumption that the government would keep them from collapsing.

Phil Angelides, a Democrat and the chairman of the Financial Crisis Inquiry Commission, spoke for many Americans who were disgusted by the bank bailout. He compared saving big banks to throwing “flotation devices to major financial firms while most of America took on water.” Angelides didn’t like having only two choices—bailing out the banks or watching the American economy fail completely. “Many Americans believe that reckless financial institutions and greedy executives made appalling bets and came away not just unpunished but with a windfall of cheap capital that made them even more profitable. They remain justifiably angry that top executives pocketed big bonuses with taxpayer money. And they rightly worry that the largest surviving financial institutions are not just too big but now too big and too few to fail.”

Critical Thinking

1. Connect to History  How does the bank bailout compare to actions taken by the federal government during the New Deal?

2. Connect to Today  Do you think any banks are “too big to fail”? Should the government let weak financial institutions go bankrupt, if doing so could severely hurt the economy?
In 2010 Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act. The act was written to regulate financial institutions more effectively, to protect consumers and investors, and, in essence, prevent another financial crisis. The Troubled Asset Relief Program, begun under President Bush, also continued.

Several economic studies agree that the government’s stimulus efforts added jobs, increased GDP, and reduced unemployment. The recession officially ended in June 2009, though unease about the economy continued. At about the same time, Obama created the Financial Crisis Inquiry Commission to investigate the causes of the recession. The commission also examined the bank bailout.

**HEALTH CARE** For some time, policymakers had been worried about the number of people without health insurance. Uninsured patients overburden the emergency rooms of hospitals required to accept all patients. In addition, uninsured patients often fail to seek medical attention in a timely manner. Then financial disaster can result when serious illness or injury strikes. This problem was extensive; in 2008 some 17.4 percent of nonelderly Americans did not have health insurance. About 8 million of the uninsured were children.

In 2008 Obama had made health care reform one of his major campaign issues. In 2010 President Obama signed the **Patient Protection and Affordable Care Act (PPACA)** into law. The act, often called Obamacare, extended the Children’s Health Insurance Program (CHIP), a program that provides health coverage to children of low-income families. It also tackled the issue of uninsured adults, partly by offering incentives to states to increase their Medicaid programs, which fund health care for low-income patients.

One part of the PPACA allows young people to stay on their parents’ insurance plans until the age of 26. In addition, patients cannot be denied coverage for having a preexisting health condition. The law extends private insurance coverage through individual mandates—that is, requiring individuals to get some level of health coverage or risk a fine. Federal subsidies are available to help some low-income people buy insurance.

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**BIOGRAPHY**

**Barack H. Obama** (1961– )

Born in Honolulu, Hawaii, Obama spent part of his childhood in Indonesia, the home of his stepfather. He attended high school in Hawaii.

Obama graduated from Columbia University with a degree in political science and a specialty in international relations. Later, Obama earned a degree from Harvard Law School. After working as an attorney, Obama taught constitutional law at the University of Chicago Law School. Chicago was also where Obama worked as a community organizer, helping set up job training and other programs.

In 1996 Obama was elected to the Illinois Senate. In July 2004 Obama came to national attention when he delivered the keynote speech at the 2004 Democratic National Convention. Later that year, he was elected to represent Illinois in the U.S. Senate, having won 70 percent of the vote.
On October 1, 2013, uninsured Americans began purchasing health insurance plans that had been set up in accordance with the Affordable Care Act. The computerized sign-up system was troubled by glitches, but by March 2015 some 16.4 million people had acquired health insurance under the PPACA. The rate of uninsured Americans dropped below 12 percent.

The PPACA remains controversial. Some Americans feel that the government does not have the right to require health insurance. Other critics say the law does not go far enough in guaranteeing health care for all. When the act was challenged as being unconstitutional, the U.S. Supreme Court disagreed, and the law remained in effect. Since its passage, the Republican-controlled Congress has voted to repeal the act almost 60 times.

**ENVIRONMENTAL ISSUES** One of Obama’s first acts was to require that the Department of Transportation establish higher fuel efficiency standards. He also pushed for more use of renewable energy sources and for stricter limits on businesses that produce high levels of carbon pollution. A major controversy arose when Congress approved an oil pipeline, called the Keystone XL. This pipeline would run from western Canada, where surface mines dig out thick, oil-saturated sand, to the Gulf of Mexico. Environmentalists criticized the project for encouraging the use of a heavily polluting type of oil and for the risk of leaks. Congress approved the project, but Obama vetoed it. Congress was unable to override the veto. On many issues, Republicans have supported pro-business plans, while Democrats have criticized those proposals as hurting the environment. The Keystone XL Pipeline bill followed that same pattern.

### The Keystone XL Pipeline Debate

<table>
<thead>
<tr>
<th>Democratic Position</th>
<th>Republican Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>The pipeline would create only 5,000 to 6,000 temporary jobs and far fewer permanent jobs.</td>
<td>The pipeline would create from 9,000 to 20,000 good jobs.</td>
</tr>
<tr>
<td>The pipeline crosses areas that are environmentally sensitive, and oil spills would be disastrous.</td>
<td>The pipeline would be similar to others that have operated safely and will include new safety features.</td>
</tr>
<tr>
<td>Building the pipeline would encourage surface mining of tar sands, harming Canada’s environment.</td>
<td>Surface tar sand mines affect only a small percentage of Canada’s vast forest land.</td>
</tr>
<tr>
<td>Tar sands yield oil that must be cleaned by using the energy of more fossil fuels.</td>
<td>U.S. coal-fired plants produce more pollutants.</td>
</tr>
<tr>
<td>Most of the oil would be shipped to other countries.</td>
<td>Building the pipeline would reduce U.S. dependency on foreign oil.</td>
</tr>
</tbody>
</table>

**Interpret Tables**

Why do you think there is such a wide difference between the job figures shown in the table?
OTHER DOMESTIC POLICIES  Shortly after taking office, President Obama issued several executive orders. One banned torture and other coercive methods for questioning suspects. The first bill that he signed, the Lilly Ledbetter Fair Pay Act of 2009, gave women who felt they had been treated unfairly on the job a longer time within which to file a sexual discrimination complaint. He also raised the tax on cigarettes and lifted restrictions on federal funding of embryonic stem cell research.

Foreign Policy Challenges

When Obama took office in 2009, the war in Iraq was still going on. He made it clear that he intended to bring the combat forces home. That goal was fulfilled in December 2011. In meetings with Iraqi leaders, Obama stressed the need for more inclusive government.

AFGHANISTAN  Obama still faced the issue of what to do in Afghanistan. He sent in several thousand additional troops—a so-called surge, begun by President Bush. U.S. troops again confronted the Taliban, which had regained influence. Fierce fighting continued, with wins balanced by losses. A heavy civilian death toll, traumatic injuries to American soldiers, and suicide bombers kept the war in the headlines.

A lingering problem in the region was the failure to eliminate Osama bin Laden, the al-Qaeda leader who had orchestrated the September 11 terrorist attacks. During a presidential debate in 2008, Obama stated that killing bin Laden would be his highest national security priority. In early May 2011 he accomplished that objective. A coordinated operation of the Central Intelligence Agency (CIA), an airborne division of the U.S. Army, and U.S. Navy Seals tracked down bin Laden in Pakistan and killed him. Although 90 percent of the American public supported the raid, some critics objected that bin Laden had been unarmed. Soon after bin Laden’s death, Obama announced that he would start withdrawing troops from Afghanistan.

President Obama and his staff watch the progress of the military operation against Osama bin Laden.
CONFLICTS AROUND THE GLOBE  Like his predecessors, Obama faced disputes—diplomatic, economic, and military—around the world. Issues in the Middle East were not limited to Iraq. Relations between the Obama administration and Israel’s government became strained in 2010 when Israel announced that it would build 1,600 new homes in a disputed area of Jerusalem, and Obama objected. On the other hand, Obama increased U.S. funding for Israel’s military.

Countries of North Africa presented additional challenges. Egypt, for example, became unstable in 2010–2011, when pro-democracy demonstrators demanded that Hosni Mubarak, the long-time president of an oppressive regime, step down. Obama and several European leaders added their voices to that request. Mubarak eventually did leave office, and the Egyptians elected a new leader. The country remains very tense, however.

A violent episode took place in **Benghazi**, Libya, in the midst of a civil war between supporters and foes of dictator Muammar Gaddafi. The events became a crisis for the Obama administration. On September 11, 2012, Islamic militants attacked the U.S. diplomatic compound in Benghazi. Ambassador J. Christopher Stevens was killed, along with another U.S. State Department employee. A second attack nearby killed two CIA contractors and injured ten other people. Shocked, Americans questioned whether the State Department had provided ample security and wondered what had caused the attacks. Was it because an anti-Muslim video had suddenly enraged a crowd? Or was it a premeditated raid? Months after the violence, Secretary of State Hillary Clinton faced those and other questions during a Senate hearing.

> “With all due respect, the fact is, we had four dead Americans! Was it because of a protest or was it because of guys out for a walk one night and decided they’d go kill some Americans? What difference—at this point, what difference does it make?”

--- Hillary Clinton, from a Senate hearing, January 23, 2013

An extensive investigation later showed that the events in Benghazi were a combination of planned and spontaneous attacks. Although the government had earlier stated that al-Qaeda was not responsible, subsequent investigation showed that a local al-Qaeda affiliate was indeed connected to the violence.

Many other hot spots demanded attention. Among them was North Korea, which threatened to restart armed conflict with South Korea. Relations between Russia and the United States remained tense. In Pakistan, Obama increased attacks by unmanned aerial vehicles called drones—a program begun by President Bush.

Throughout his presidency, Obama won both praise and criticism for his foreign policy. Some conservatives accused him of being too hesitant to wield U.S. power abroad. On the other end of the political spectrum were liberals who criticized him for continuing too many of his predecessor’s foreign policies, especially in Iraq.
Reelection and Stalemate

Although Obama’s efforts to improve the economy had met with some success, many Americans were unhappy with continued high levels of unemployment. This discontent allowed Republicans to gain a majority of seats in the U.S. House of Representatives during the 2010 midterm elections. As a result, Obama met with resistance as he tried to pursue his agenda.

A GROWING DIVIDE  During the 2008 election, observers noted growing partisanship in politics. That is, opponents were less willing to compromise, personal attacks became more common, and more people embraced extreme views. Many noted that politics had become more polarized, meaning that people were more likely to be on clearly opposite sides of issues.

Talk-radio programs, unsubstantiated Internet rumors, and cable news shows on both ends of the political spectrum were blamed. Some political scientists point to modern gerrymandering as a cause. They say that drawing voting districts to concentrate like-minded voters leads to elected representatives holding more radical positions than the general public. Scholars have also noted that over the last few decades, Americans more often surround themselves with like-minded people—not just on the regional or state level, but even in terms of cities and neighborhoods. Former president Bill Clinton has lamented this tendency in several speeches. “Some of us are going to have to cross the street, folks,” he said.

Increased partisanship over the role of government in American life found expression in the rise of a libertarian, conservative movement called the tea party. The loosely organized group took its name from the Boston Tea Party of 1773. Among the group’s goals are lowering taxes, reducing government spending on programs such as health care, and lowering the national debt and the budget deficit. On social issues, a large majority of tea party supporters are against abortion, gay marriage, and gun control. Most identify themselves as Christians and vote Republican. Supporters of the tea party mostly see the U.S. Constitution as a conservative document and advocate strict constitutional interpretation in government policy. Although the movement is decentralized, polls have found that between 10 percent and 30 percent of Americans identify with the tea party’s goals. It is often described as a grassroots movement, but as with many other political parties, various corporate interests have also provided substantial financial support.

THE 2012 AND 2014 ELECTIONS  The 2012 presidential election pitted President Obama and Vice-President Joe Biden against Mitt Romney, a former governor of Massachusetts, and Paul Ryan, a U.S. congressman from Wisconsin. Questions posed during the televised Obama-Romney debates were far-ranging. Examples include questions to Romney about how he differed from George W. Bush and what he would do about immigrants trying to gain permanent residency. Obama faced questions on the Benghazi disaster, pay inequality for women, and what he had done to reduce access to assault weapons, among others.
The Obama-Biden ticket won both the popular and electoral votes. Obama carried states in the far West, the upper Midwest, and the Northeast. All the Deep South states went to Romney, except for Florida. In general, Obama did well in big and mid-sized cities, while Romney earned majorities in suburbs, small towns, and rural areas.

In 2014 power in the U.S. Congress underwent a shakeup. The House of Representatives was already dominated by Republicans. In 2014 Democrats also lost control of the Senate.

SECOND-TERM POLICIES During his second term in office, President Obama tried to solve lingering foreign policy dilemmas. He also began a dramatic move that changed decades of foreign policy—normalizing diplomatic relations with Cuba. Obama took steps to lift the trade embargo against Cuba, which had been in place since 1961. He and Raul Castro, Cuba’s Communist leader, agreed to establish embassies in each other’s countries. Restrictions on travel to Cuba would be eased somewhat. The policy changes were praised by many Americans as being more effective in bringing democracy to the island nation than the old policy of isolation. Some critics, however, saw the warming of relations as giving in to a Communist regime. Other critics felt that the president had abused his power by acting without congressional approval.

Iran was another focus of President Obama’s concerns. In 2013 the relationship between Iran and the United States had thawed somewhat when Obama and Iran’s new president, Hassan Rouhani, spoke on the telephone. The conversation was the highest level of communication between the two countries since 1979. Then in 2015, Obama coordinated with several key countries to begin negotiations that would relieve sanctions against Iran in exchange for significant restrictions on its nuclear program. The tentative agreement also increased international inspections of its nuclear facilities. Both outrage and praise greeted the announcement. Israel’s president, Benjamin Netanyahu, angrily called for the proposal’s rejection. Several critics agreed with his indignation and claimed that Obama was anti-Israel. Nonetheless, in April 2015 all parties involved announced that they had reached a basic framework for further talks.

Lesson 3 Assessment

1. Organize Information Create a timeline of President Obama’s major actions while in office.

2. Key Terms and People For each key term or person in the lesson, write a sentence explaining its significance.

3. Analyze Issues What role should the government play in regulating economic institutions?

   Think About:
   - the need for financial stability
   - the possibility of political influence
   - the American tradition of free enterprise

4. Summarize What were the main issues in the presidential election of 2008?

5. Predict How do you think the PPACA will affect health care for your generation?
Advances in medical technology have permitted Rudy to live a more fully active life. Throughout the 20th century and into the 21st, technological developments helped Americans become more active in many ways.

“I told them to cut my legs off. I saw pictures of people running with prosthetic legs. I didn’t want to stay in a wheelchair. . . . My legs won’t stop me. . . . I like to show kids that there’s no limitations—kids or challenged people or adults, there’s no limitations to what a person can do. . . . My motto is, if you have a brave heart, that’s a powerful weapon.”

—Rudy Garcia-Tolson, quoted in Press-Enterprise, January 1, 2000

One American’s Story

The crowds stood four-deep cheering for 12-year-old Rudy Garcia-Tolson as he captured a national record for his age group at the 2000 San Diego half-marathon. Despite the loss of his legs, Rudy competes in sports. He won gold medals in swimming at the 2004 and 2008 Paralympic Games, plus silver in 2012.

For years, Rudy was confined to a wheelchair, due to a genetic condition. After undergoing a double amputation, he was fitted with carbon fiber prostheses—artificial replacements for missing body parts. These lightweight, strong, and durable new legs now make many things possible for Rudy.

Advances in medical technology have permitted Rudy to live a more fully active life. Throughout the 20th century and into the 21st, technological developments helped Americans become more active in many ways.
The Communications Revolution

In the 1940s, when computers first came into use, they took up huge rooms. The machines required elaborate air-conditioning systems to keep them from overheating. Today, the smartphone in your pocket can perform more tasks than one of those old room-sized computers. High-tech devices have also become affordable. The development of inexpensive personal computers has made it possible for ordinary families to use the latest technology.

ENTERING THE INFORMATION AGE In the 1960s the Department of Defense began to network its computers in order to protect its ability to launch nuclear missiles. Then, in the late 1980s the National Science Foundation created its own network, NSFNET, and allowed anyone to access it. However, only a small group of computer-science graduates and professors used the system.

A digital revolution soon took place, though. Thousands of industries across the country began using computers to run their businesses. Millions of Americans bought personal computers for their homes. With so many computers suddenly in use, NSFNET steadily grew into the large and crowded Internet. The Internet is an international network linking computers and allowing almost instant transmittal of text, images, and sound. The 1990s enjoyed explosive growth of the Internet. By 2014 some 3 billion of the world’s people, or about 43.6 percent of world population, were using it. However, the majority of users were from the world’s richest countries.

BUSINESS AND MARKETPLACE APPLICATIONS The late 20th-century advances in computers and communications have had an impact on American society and business comparable to the industrial developments of the late 1800s. Many observers credit computer technology with driving the astonishing economic growth that the United States experienced during the 1990s. With computers allowing employees in nearly every field to perform their jobs more quickly and easily, worker productivity and output increased. This was a major reason for the decade-long boom.

Computer-based management techniques have also allowed many businesses to streamline. For instance, some manufacturers have implemented just-in-time (JIT) systems. In these systems, they bring in only as many raw materials as are needed to produce the goods their customers demand. Such efficiencies allow them to use their resources elsewhere.

New and emerging technologies have also allowed companies and organizations to connect with branch offices, suppliers, or customers in other countries. Because of cell phones, the Internet, wireless connectivity, and overnight shipping, some employees can more readily telecommute. This allows them to work from a location of their choice instead of going to an office every day. Email and video conferences erase the thousands of miles that can separate coworkers. The increased business activity may stimulate economic development in both locations. In addition, the communication can enhance understanding between cultures.

Some businesses and governments use geographic information system (GIS) technology to improve efficiency and plan more effectively. A GIS is
a computer system designed to collect and analyze many kinds of spatial or geographical data. For example, the state of Montana developed a GIS to keep track of land ownership, along with numerous details. A power company that needs to set up new power lines can easily track ownership and costs along the proposed route. Or, a local government can be alerted when a site that may be polluted with toxins changes hands. The government can step in quickly to test the site and remove the toxins.

The desire to capitalize on these innovations for profit drove several companies to enter the marketplace with technology products developed for personal use. As a result, consumers now clamor for the most current technology. This includes smartphones, laptop computers and tablets, and other personal electronic devices.

EVERYDAY USES  Computer technology not only has improved how Americans work, but also has dramatically altered how they live. Millions of citizens now buy everything from flowers to books to stocks online. Every year, Americans spend tens of billions of dollars in electronic transactions, also known as e-commerce.

While Americans once spoke over the telephone or wrote letters for communication across distances, they now use their smartphones differently. Many people spend several hours a day sending instant messages—“texting”—or on social networking sites. Computers have also affected the way Americans learn. Now, most public school classrooms have Internet access. A growing number of universities offer classes and even complete degree programs over the Internet. Computer technology has, therefore, made education possible for anyone who can connect to the Internet. This is true wherever people live around the world.

Computer users can also download a vast number of applications, or “apps,” for their mobile devices—tablets and smartphones. By 2015 almost 3 million apps were available from the various “app stores.” Such apps allow users to perform a remarkable array of functions. Examples range from showing how to save a heart attack victim’s life to checking a watermelon’s ripeness. A new class of entrepreneurs has made fortunes by developing popular apps.

Document-Based Investigation Historical Source

“Vacation, 2000”
By the end of the 20th century, millions of Americans owned any number of personal communication devices. People were able to speak to or correspond with each other instantaneously almost anytime, almost anywhere.

Analyze Historical Sources
What does the cartoon suggest about Americans and their communication devices? Do you agree or disagree with the cartoonist’s message? Explain your opinion.
LEGISLATING TECHNOLOGY In the 1980s the government was slow to recognize the implications of the new communications technology. In 1994, however, the Federal Communications Commission (FCC) began to auction the valuable rights to airwaves. That year, the FCC collected over $9 billion. Then, with the rapid growth in the communications industry, the federal government took several steps to ensure that consumers received the best service. Congress passed the Telecommunications Act of 1996. This law removed barriers that had previously prevented one type of communications company from starting up or buying another related one. While it increased competition in the industry, the law also paved the way for major media mergers. For example, Capital Cities/ABC Inc. joined the Walt Disney Company. But industry watchdogs noted that this reflected the trend toward concentrating media influence in the hands of a few powerful conglomerates.

The passage of the Telecommunications Act won applause from the communications industry. The law received only mixed reviews from the public. Consumer activists worried that the law would fail to ensure equal access to new technologies for rural residents and poor people. Civil rights advocates contended that the Communications Decency Act (part of the Telecommunications Act) restricted free speech. This is because it barred the transmission of “indecent” materials to minors via the Internet. Since the early 2000s the issue of network neutrality has created considerable controversy. In 2015 supporters of net neutrality applauded the FCC’s ruling that prevented service providers or the government from restricting access to, or content delivered on, the Internet.

Another way that technology intersects with the law is in protecting the rights of content creators. Since the Internet developed, protecting intellectual property rights, a legal term that refers to creations of the mind, has become more difficult. With so much data available in cyberspace, it is easy for computer users to avoid giving proper credit—or payment—to those who created the material. The Internet has made copyright infringement, often called piracy, common. Musicians have gone to court to keep their unreleased songs from playing on the Internet. Writers may find their words attributed to others online or used in ways that were never intended. Balancing the need to protect intellectual property rights against freedom of information is a difficult task that will not be settled soon.

CHALLENGES FOR TODAY AND THE FUTURE For all the benefits and opportunities it has brought, computer technology has also created its own challenges. While it has become indispensable to many as a source of useful information, the Internet has also become a center for the dissemination of pornographic and anonymous hate material. In addition, the wide use of digital networks has also led to the growth of “cybercrime.” Computer vandals,
known as hackers, engage in many criminal activities. This includes the theft of Social Security numbers along with other vital personal information and the disabling of entire computer systems. The Federal Bureau of Investigation estimates that cybercrime costs Americans more than $10 billion a year. What concerns officials even more is the growing possibility of “cyberterrorism.” This term refers to hackers stealing or altering vital military information such as nuclear missile codes.

Meanwhile, many Americans worry about the “digital divide.” This is the notion that computer technology still remains out of reach for many of the nation’s poor. Families unable to buy computers risk falling even further behind in a country where computer skills have become a necessity. Some communities are investing funds to help close the gap. Meanwhile, libraries, schools, and senior centers across the country provide free Internet access.

Over-reliance on digital devices can even become a problem for human relationships. Some observers worry that people spend so much time on social media or texting that they have forgotten—or never even learned—how to communicate face-to-face. At least one university has developed a seminar to help students with their interpersonal skills. Students in the New York University class had to pair off and talk, without using their phones, for six minutes. At the conclusion of the workshop, some of the students agreed that the encounter had been difficult. Facebook, they said, was easier.

Another example of overuse of digital gadgets is the tendency by some users to use their phones to film whatever they see, no matter how inappropriate. This practice has led to bystanders filming crimes such as assaults instead of helping the victim or calling police. On the other hand, the news is full of arrests and convictions based on people filming crimes as they happen.

The digital revolution shows no sign of slowing. The technology that has so transformed the nation will continue to present new opportunities. However, trying to predict just what those opportunities might be is pointless. After all, the technical marvels we take for granted today were once the fantasies only of comic book artists and science fiction writers.

**Scientific Advances Enrich Lives**

Developments that revolutionized robotics, space exploration, and medicine matched the exciting growth in the telecommunications industry. The world witnessed marvels that for many of the baby boom generation echoed science fiction. Moreover, new discoveries are made so often that describing any one of them as the “latest” is risky.

**SIMULATION, ROBOTICS, AND MACHINE INTELLIGENCE**

Visual imaging and artificial intelligence (a computer’s ability to perform activities that require intelligence) were combined to provide applications in industry, medicine, and education. For example, virtual reality began with the flight simulators used to train military and commercial pilots. Soon, with a headset that holds tiny video screens and earphones, and with a data glove that translates hand movements to a computer screen, users could navigate a
“virtual landscape.” Doctors have used virtual reality to take a computer-
ized tour of a patient’s throat and lungs to check for medical problems.
Surgeons have performed long-distance surgery through telepresence
systems. These systems include gloves, computers, and robotic elements
specially wired so that a doctor can operate on a patient hundreds of
miles away. Architects and engineers have used virtual reality to create
visual, rather than physical, models of buildings, cars, and other designs.
Modeling also affected the nightly newscast. Using supercomputers and
improved satellite data, meteorologists could offer extended weather fore-
casts that reached the accuracy of one-day forecasts of 1980.

As technology became more sophisticated, computers increased in capa-
bility. In 1997 IBM’s supercomputer Deep Blue defeated champion Garry
Kasparov in a chess match. Computational linguists steadily improved
natural language understanding in computers. This fine-tuned the accu-
racy of voice recognition systems.

Robots grew more humanlike as engineers equipped them with high-
capacity chips simulating brain function. By the early 2000s robots had
the ability to walk on two legs, interact with people, and learn taught
behaviors. They could also express artificial feelings with facial gestures.

**SPACE EXPLORATION** Astronomers and engineers have expanded our
view of the universe. In 1997 NASA’s *Pathfinder* and its rover *Sojourner*
transmitted the first live pictures of the surface of Mars. Several rovers
have been sent to Mars since then to gather data on the planet’s environ-
mental and geological history. In July 2015 the spacecraft *New Horizons*
flew past Pluto and sent back detailed information about the dwarf planet
and its moons.

Shuttle missions, meanwhile, concentrated on scientific research and
assembly, transport, and repair of orbiting objects. This paved the way
for possible human missions to Mars and other space travel. NASA con-
centrated on working with other nations to build the *International Space
Station (ISS)*. The ISS promised to offer scientists a
zero-gravity laboratory for research in medicine, space
mechanics and architecture, and long-term living in
space.

A shuttle crew in 1993 aboard the *Endeavor* repaired
the Hubble Space Telescope, which returns dazzling
intergalactic views. In late 1995 astronomers discov-
ered the first planet outside our own solar system. By
2015 about 2,000 such “exoplanets” had been con-
ﬁrmed. On July 21, 2011, the *Atlantis* crew completed
the ﬁnal mission of NASA’s 30-year shuttle program.
However, U.S. space exploration goes on. In August
2011 NASA launched the probe *Juno*, for arrival at
Jupiter in 2016. Also, American astronauts will con-
tinue to spend time on the ISS. But they will rely on
Russian spacecraft to transport them.
Profound insights into the book of life came from the field of biotechnology. The Human Genome Project and Celera, a private company in molecular biology, simultaneously announced in 2000 that they had mapped nearly all of the genes in the human body only a decade after the research began. Cooperation via the Internet and access to computerized databases by multiple research groups vastly accelerated the scientists’ ability to identify and order over 3 billion chemical “letters” of the genetic code of DNA. Molecular biologists hoped that this genetic map would offer the key to treating many inherited diseases and diagnosing congenital disabilities.

DNA had been in the spotlight before the breakthrough announcement. In legal proceedings, prosecutors relied on DNA evidence to help prove the guilt of defendants who may have left behind a single hair at a crime scene. Others, wrongly imprisoned, were released when genetic analysis proved their innocence. By 2015 DNA testing had exonerated more than 300 people.

Different opinions arose over some of the new advances. Some speculated that technological progress outpaced social evolution and society’s ability to grapple with the consequences. In 1997 Scottish researchers cloned Dolly the sheep from one cell of an adult sheep. Many wondered whether human cloning was next. Advances such as these sparked heated debates among scientists, ethicists, religious leaders, and politicians. Developments in gene therapy and testing embryos for genetic defects created similar controversies.

The use of genetic engineering—the artificial changing of the molecular biology of organisms’ cells to alter an organism—also aroused public concern. Food products that have been altered in this way are called genetically modified (GM) foods. Monsanto, a multinational corporation, was among the first companies to modify a plant cell’s genetic code. Scientists in the late 1990s modified corn and rice to provide resistance to pests and increase nutritional value. Since then, many other crops have been modified. The U.S. Food and Drug Administration (FDA) holds that GM foods are safe and that they require no extra labeling. Many scientists agree. Others say that the long-term results of eating GM foods are not yet known.

Genetic engineering also raises legal issues. Firms can patent genes used for medical and research applications, using the principle of invention and property. They can also patent genetically modified seeds and require that farmers purchase seeds directly from the company every year. This prevents farmers from keeping seeds from their own crops for replanting. Disputes over use of GM crops have resulted in hundreds of court cases.

Progress in the pharmaceutical industry has raised an ethical question. Drug manufacturers take out patents on their formulas, which limits competition and drives up income. The drug companies want longer-lasting patents to protect their investment in researching and testing new medications. Critics say that the patents protect mainly the most profitable drugs but do not spur innovation. Industry defenders say that only by extending patents can drug makers afford to bring new lifesaving medications to market.

People suffering from some diseases benefited from remarkable medical advances. Cancer survival rates improved dramatically. For certain types of the disease, a cancer diagnosis is no longer a death
sentence. Improved diagnostic methods, gene therapy, and genetically engineered antibodies make improved survival rates possible.

One therapy that offers great promise is the use of stem cells, which can differentiate into different types of cells. Chemotherapy to treat cancer often destroys healthy cells along with the cancerous ones. Injected stem cells can replace the cells lost during treatment. Stem cells can also help kill cancer cells themselves. The use of stem cells is controversial, however. Stem cells taken from embryos, such as those removed during abortion, are particularly useful for therapies. But removing the stem cells destroys the embryo. President George W. Bush fought to outlaw any use of embryonic stem cells. President Obama loosened restrictions slightly.

Improvements in tracking the spread of HIV—the virus that causes AIDS—through the body made researchers better prepared to find a cure. AIDS patients were treated with combination therapies. Public health officials addressed risky behaviors to control the spread of HIV. Deaths from AIDS have dropped. More people are still living long after a positive diagnosis.

Improved technology for making medical diagnoses offered new hope as well. Magnetic resonance imaging (MRI), for example, produces cross-sectional images of any part of the body. Advances that will make the MRI procedure ten times faster will also make MRI more widely available and cheaper to use. Medical researchers look ahead to using fleets of tiny “nanosensors” one-thousandth the width of a human hair to find tumors. Researchers also hope to someday deploy “nanobots” to repair tissues and even genes. Robotics and medical science have combined in a particularly remarkable field—3D bioprinting. This process places living cells in a structure that is built up by a 3D printer, layer after layer. With this method, technicians can build new tissues for repairing organs such as kidneys, livers, and hearts.

Another medical procedure grabbed headlines in 2007. That year, Dr. Laurent Lantieri, a French plastic surgeon, led a team that performed the first successful transplant of a face from a donor to a patient. The patient was a man whose face had been disfigured by tumors. Since then, more patients whose faces had been ruined by disease or accidents have undergone the grueling surgery. They awakened with not just new faces, but new lives.

Reading Check

Summarize How has technology affected health care?

1. Organize Information On a chart, list four of the technological changes described in this lesson, and explain how each change has affected your life.

<table>
<thead>
<tr>
<th>Technological Change</th>
<th>Effect on Me</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td></td>
</tr>
</tbody>
</table>

2. Key Terms and People For each key term in the lesson, write a sentence explaining its significance.

3. Analyze Issues Why are some technological, medical, and pharmaceutical advances controversial?

4. Predict How do you think technology will affect the global workforce and entrepreneurship in the future?

5. Make Inferences Explain how government, business, and consumers relate to genetically modified food crops.

Think About:
• legal and regulatory issues related to GM foods
• corporate involvement
• product safety
One American’s Story

Any effort to describe someone as a “typical American” is bound to be inadequate, as people move from cities to suburbs and back to the cities, arrive from other countries, and live longer than in years past. Our perceptions often do not keep pace with the changes. Doris Roberts, star of the TV show *Everybody Loves Raymond* and winner of five Emmy Awards, expressed her frustration with age discrimination at a hearing before a Senate Special Committee on Aging.

“[S]ociety considers me discardable. My peers and I are portrayed as dependent, helpless, unproductive and demanding rather than deserving. In reality, the majority of seniors are self-sufficient middle-class consumers with more assets than most young people and the time and talent to offer society. . . .

Age discrimination negates the value of wisdom and experience, robs us of our dignity and denies us the chance to continue to grow, to flourish, and to become all that we are capable of being. We all know that medical advances have changed the length and the quality of our lives today, but we have not, however, changed our attitudes about aging or addressed the disabling myths that disempower us.”

—Doris Roberts, from a hearing before the Special Committee on Aging, United States Senate, 107th Congress, September 4, 2002

Issues related to youth and age are among several that are changing the country’s demographic portrait.
Urban Challenges

One of the most significant sociocultural changes in American history has been the movement of Americans from the cities to the suburbs. The years after World War II through the 1980s saw a widespread pattern of urban flight. This was the process in which Americans left the cities and moved to the suburbs. At mid-century, the population of cities exceeded that of suburbs. By 1970 the ratio became even.

CHANGES IN CITIES AND SUBURBS Several factors contributed to the movement of Americans out of the cities. Because of the continued movement of job-seekers into cities in the 1950s and 1960s, many urban neighborhoods became overcrowded. Overcrowding, in turn, contributed to such problems as increasing crime rates and decaying housing.

During the 1970s and early 1980s, city dwellers who could afford to do so moved to the suburbs for more space, privacy, security, and better schools. As middle-class Americans left cities for the suburbs, the economic base of many urban neighborhoods declined, and suburbs grew wealthy. Following the well-educated labor force, more industries relocated to suburban areas in the 1990s. In addition, many downtown districts fell into disrepair. Suburban shoppers abandoned city stores for suburban shopping malls. The economic base that provided tax money and supported city services in large cities such as New York, Detroit, and Philadelphia continued to shrink as people and jobs moved outward. According to the 1990 census, the 31 most impoverished communities in the United States were in cities.

By the mid-1990s, however, as the property values in the nation’s inner cities declined, many people returned to live there. In a process known as gentrification, they purchased and rehabilitated deteriorating urban property. Old industrial sites and neighborhoods convenient to downtown became popular. These areas especially attracted young, single adults who preferred

Williamsburg is a neighborhood in Brooklyn, New York, where gentrification has taken place in recent years.
the excitement of city life and the uniqueness of urban neighborhoods to the more uniform suburban environments. The new arrivals often displaced lower-income people who could not afford to pay the higher property taxes that resulted from new development. Gentrification has become a contentious issue in urban politics.

Smaller cities and towns have had less of a problem with gentrification. But they did face deteriorating central business districts, as big national retailers built giant stores on the towns’ outskirts. To revitalize their downtown cores, more than 2,000 cities and towns developed “main street” programs that offered incentives for revitalizing old buildings. These programs had positive economic and social effects. They created jobs, both during the rehabilitation process and when new businesses moved into the buildings. New businesses brought in new customers and clients, making urban cores safer and livelier. People moved downtown to live, also. Property tax revenues increased, making more money available for schools and other needs.

**SUBURBAN LIVING** Many suburbanites continued to commute to city jobs during the 1990s and early 2000s. Increasing numbers of workers began to telecommute, or use new communications technology to work from their homes. Another notable trend was the movement of minority populations to the suburbs. Nationwide, by the early 2000s, more Latinos, Asians, and African Americans lived in the suburbs than lived in the core cities.

Suburban growth led to intense competition between suburbs and cities, and among the suburbs themselves, for business and industry. Since low-rise suburban homes yielded low tax revenues, tax-hungry suburbs offered tax incentives for companies to locate within their borders. These incentives resulted in lower tax revenues for local governments. This means that less money was available for schools, libraries, and police departments. Consequently, taxes were often increased to fund these community services. Higher taxes were also needed to build the additional roads and other infrastructure necessary to support the new businesses.

Many suburbanites have reacted against the sameness that can afflict housing developments. To make suburbs more attractive, some town councils have required that developers include a certain amount of park acreage or hiking trails in their plans.

**CITIES AND NATURAL DISASTERS** Urban areas also face challenges due to natural disasters, such as extreme weather. In August 2005 New Orleans experienced widespread flooding as a result of both physical and human geographic factors. Hurricane Katrina—a massive storm with sustained winds of 125 miles per hour—made landfall along the coast of the Gulf of Mexico. During its course, the storm devastated parts of Alabama, Mississippi, and Louisiana. Much of the city of New Orleans lies below sea level, and levees are used to hold back surrounding waters. The city flooded when the levees failed in the aftermath of the hurricane. The human suffering due to the storm and subsequent flooding was immense. Nonprofit organizations rushed to help, as did the governments of neighboring states, which welcomed thousands of people driven out by the storm. Responses to the disaster were widely covered in the media. State leaders including Governor Rick Perry of Texas received
praise for making state resources available. However, some felt the national response to the disaster was too slow and did not provide enough assistance.

Despite their location, northern cities are not safe from hurricanes. In October 2012 Hurricane Sandy devastated the entire eastern seaboard. New Jersey and New York were particularly hard hit. A storm surge flooded New York City’s streets, trains, tunnels, and subways. The city fell into chaos. Deaths totaled more than 115. The cost estimate was $65 billion, a total exceeded only by Katrina.

Blizzards and earthquakes can also be devastating to cities. Such disasters can drain city coffers for years afterward, do irreparable damage to the environment, overburden local governments, create new political alliances, ruin property values, and affect population distribution. In the case of Katrina, for example, the destructive storm displaced more than 1 million people from the Gulf Coast region.

The Aging of America

The U.S. Census Bureau documents that in 2010, Americans were older than ever before. The median age was 37.2—almost two years older than in 2000. In 2010 there were 40.3 million people who were 65 years old and older. This was an increase of 5.3 million people over the 2000 census. The percentage of older Americans also increased, from 12.4 percent of the population in 2000 to 13 percent in 2010.

Behind the rising median age lie several broad trends. The country’s birthrate has slowed slightly. The huge baby boom generation has entered retirement age. Also, the number of seniors has increased as Americans live longer, thanks to advances in medical care and healthier lifestyles. The number of

The Graying of America, 1990–2030

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Americans 65 and older*</th>
<th>Percentage of U.S. population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>31,081</td>
<td>12.4</td>
</tr>
<tr>
<td>2000</td>
<td>34,837</td>
<td>12.7</td>
</tr>
<tr>
<td>2010</td>
<td>40,229</td>
<td>13.0</td>
</tr>
<tr>
<td>2020</td>
<td>54,804**</td>
<td>16.1**</td>
</tr>
<tr>
<td>2030</td>
<td>72,092**</td>
<td>19.3**</td>
</tr>
</tbody>
</table>

*numbers in thousands  
**projected totals  
Source: U.S. Census Bureau

Interpret Tables
1. Between what years is America’s elderly population expected to grow the most?  
2. By roughly what percentage is America’s elderly population expected to increase between 1990 and 2030?
people over 85 has increased at a faster rate than any other segment of the population, to 5.7 million in the year 2008. In 2010 more than 53,300 people had reached the age of 100. This was an increase of almost 3,000 from the 2000 census.

The graying of America has placed new demands on the country's programs that provide care for the elderly. These programs accounted for only 6 percent of the national budget in 1955. By 2015 these programs consumed more than one-third of the national budget. The major programs that provide care for elderly and disabled people are Medicare and Social Security. Medicare, which pays medical expenses for senior citizens, began in 1965. At that time, most Americans had lower life expectancies. By 2015 the costs of this program exceeded $492 billion.

Social Security, which pays benefits to retired Americans, was designed to rely on continued funding from a vast number of younger workers who would contribute taxes to support a small number of retired workers. That system worked well when younger workers far outnumbered retirees and when most workers didn’t live long after retirement.

In 1996 it took Social Security contributions from three workers to support every retiree. By 2030, however, with an increase in the number of elderly persons and an expected decline in the birthrate, there will be only two workers’ contributions available to support each senior citizen. What to do about Social Security has been an issue in recent presidential elections. If the government does not restructure the system, Social Security will eventually have to pay out more money than it will take in. Some analysts have suggested that the system could be reformed by raising deductions for workers, taxing the benefits paid to wealthier Americans, and raising the age at which retirees can collect benefits.

### Immigration and Population

In addition to becoming increasingly suburban and elderly, the population of the United States has also been transformed by immigration. Between 1970 and 2010 the country's population swelled from 204 million to more than 309 million. Immigration accounted for much of that growth. Americans have long debated the effects of immigration on the country's character.

#### A Changing Immigrant Population

The most recent immigrants to the United States differ from immigrants of earlier years. The large numbers of immigrants who entered the country before and just after 1900 came from Europe. In contrast, more than 30 percent of immigrants since the 1960s have come from Asia. About 50 percent arrived from the Western Hemisphere, primarily Mexico.

Conditions in Mexico and Central America are a major “push” factor in why so many people have risked coming to the United States. In Mexico, for example, during three months in 1994–1995, the Mexican peso devalued by 73 percent. The devaluation made the Mexican economy decline. As a result, almost a million Mexicans lost their jobs. Many of the unemployed people
headed north in search of jobs in the United States. In Central America, civil wars and drug gang violence have uprooted thousands of people, who then fled north to seek safety.

This search for a better opportunity continued throughout the 1990s. Thousands of legal and illegal immigrants arrived each day. To help those persons seeking more opportunity in America, a temporary guest worker program for those immigrants residing illegally in the United States was proposed several times in the early 2000s. But Congress has approved no such plan.

Census Bureau data indicated that patterns of immigration are changing the country’s ethnic and racial makeup. By 2001, for example, California had become a “majority-minority” state. Asian Americans, Latinos, African Americans, and Native Americans make up more than half its population. By 2010 three other states—Hawaii, New Mexico, and Texas—had also become majority-minority states. Arizona, Florida, Georgia, Louisiana, Maryland, Mississippi, Nevada, New Jersey, and New York were close. In those states, the percentage of non-Hispanic white residents was below 60 percent. The United States as a whole is projected to become majority-minority by 2044.

DEBATES OVER IMMIGRATION POLICY  The presence of such a large number of immigrants has also added to the continuing debate over U.S. immigration policies. Many Americans believe that the country can't absorb more immigrants. By the early 1990s an estimated 3.2 million illegal immigrants from Mexico, El Salvador, Guatemala, and Haiti had made their way into the United States.
The U.S. Census has asked a race question on every census since the first survey in 1790. Since 1890 the categories and definitions have changed with nearly every census. To the United States. Many illegal immigrants also arrived from Canada, Poland, China, and Ireland. They took jobs as farm workers and domestic servants—jobs that many Americans turned down. They often received the minimum wage or less and no benefits. By 2013 perhaps 11.4 million illegal immigrants resided in the United States. Estimates vary widely, however, according to the source.

Hostility toward illegal immigration has increased in certain states, such as California and Arizona. In 1994 California passed Proposition 187, which cut all education and nonemergency health benefits to illegal immigrants. By March 1998 Proposition 187 was ruled unconstitutional. In 2010 Arizona passed a law that enhanced state and local police authority to enforce federal immigration laws. These efforts to control immigration inspired political participation among Hispanic voters, who saw themselves as targets.

As more immigrants make their way to the United States and the nation’s ethnic composition changes, debates about immigration—particularly illegal immigration—will continue. Both the federal government and state governments grapple with the issue. Those who favor tighter restrictions argue that immigrants take desired jobs. Others, however, point to America’s historical diversity and the new ideas and energy that immigrants bring. They also point out that some key industries, such as building construction, depend heavily on undocumented workers. Although various proposals had been suggested, by 2015 the U.S. Congress still had not passed a comprehensive plan for addressing immigration.

**NATIVE AMERICANS CONTINUE LEGAL BATTLES** As the nation debated its immigrant policies, the ancestors of America’s original inhabitants continued to struggle. The end of the 20th century found most members of this minority enduring extremely difficult lives. In 2007 about 25 percent of Native Americans lived below the poverty line. This was more than two times the poverty rate for white Americans. Furthermore, Native Americans endured suicide rates and alcoholism rates that were considerably higher than that of the general population.

In the face of such hardships, Native Americans strived to improve their condition. Throughout the 1990s dozens of tribes attained greater economic independence by establishing casinos. Although controversial for promoting gambling, reservation gaming was a thriving $27 billion-a-year industry by 2008. This income provided Native Americans with much-needed money for jobs, education, social services, and infrastructure.

Over the past decades, Native Americans have used the courts to attain greater recognition of their tribal ancestry and land rights. In 1999, for
example, the U.S. Supreme Court ruled that the Chippewa Indians of Minnesota retained fishing and hunting rights on some 13 million acres of land that were guaranteed to them in an 1837 treaty. Across the nation, a number of other tribes have had similar land rights affirmed.

**A NEW AMERICAN PORTRAIT** Even though immigration remains a contentious issue and Native Americans still face hurdles, there is no denying that ours is a multicultural nation. Art, beliefs, literature, food, dance, festivals, music, customs—all have responded to the shifts in American society. Mexican food is almost as common as hamburgers. Mandarin Chinese classes appear in elementary school curriculums. Countries from Mali to Iceland influence American rock bands. A nationally known advice columnist wishes her Muslim readers “Happy Eid al-Fitr.” This holiday ends the Islamic holy month of Ramadan. Jews invite non-Jews to share a Passover Seder and learn about the meal’s ancient traditions. People of all faiths can be found throwing brightly colored powder on each other during Holi, originally a Hindu festival. Artists weave their heritage into their work. Classical composers adapt melodies, lyrics, and rhythms from their own ethnic backgrounds or those of others. Theater companies produce bilingual plays. Examples of multicultural influence on contemporary American society abound.

As the 21st century has progressed, there have been struggles to reconcile the many different cultures and belief systems that make up the United States. For example, in recent years, many loyal, peace-loving Muslims have found themselves vilified as terrorists. Sikhs have been attacked because their mode of dress sets them apart. Still, immigrants continue to come to the United States in pursuit of the American Dream. The newcomers bring a work ethic, innovation, and dedication to the ideals on which the United States was founded and make lasting contributions to help build the country.

**Lesson 5 Assessment**

1. **Organize Information** Demography is the study of statistics about human populations. Use a table to summarize the demographic changes occurring in the United States.

   **Demographic Changes**
   
<table>
<thead>
<tr>
<th>Urban distribution</th>
<th>Age</th>
<th>Ethnic and racial makeup</th>
</tr>
</thead>
</table>

2. **Key Terms and People** For each key term in the lesson, write a sentence explaining its significance.

3. **Predict** As urban problems become more common in the suburbs, how might the residents of suburbs respond? Base your answer on existing behavior patterns.

   **Think About:**
   - the spread of suburbs farther and farther from the city
   - the new ability to telecommute
   - the tax problems that suburbs face

4. **Compare and Contrast** How was the immigration that occurred in the 1990s and early 2000s similar to and different from earlier waves of immigration? How does the treatment of Muslim Americans compare to the treatment of other groups in the past?

5. **Analyze Effects** How have recent immigration and migration patterns in the United States affected social, economic, and political issues?
Key Terms And People

For each key term or person below, write a sentence explaining its significance.
1. William Jefferson Clinton
2. Contract with America
4. George W. Bush
5. Osama bin Laden
6. weapons of mass destruction (WMD)
7. housing bubble
8. Barack Obama
9. Patient Protection and Affordable Care Act (PPACA)
10. genetic engineering
11. intellectual property
12. gentrification

Main Ideas

Use your notes and the information in the module to answer the following questions.

The Clinton Years
1. Which parts of the economy grew during the 1990s, and which declined?
2. How and why did the role of labor unions change as the economy changed?
3. What happened following the investigation of President Clinton?
4. How did the United States respond to acts of terrorism that occurred both at home and abroad during the Clinton years?

The Bush Administration
5. What role did the Electoral College play in the 2000 election?
6. What happened on September 11, 2001?
7. Why was the invasion of Iraq controversial? How did the war proceed?
8. How did support for the administration vary over the eight years Bush was president?
9. How did President Bush try to limit the damage of the country’s economic problems?
10. How did the American Recovery and Reinvestment Act (ARRA) stabilize the economy?
11. Why did environmentalists criticize the Keystone XL Pipeline project?
12. What are two examples of Obama continuing a foreign policy begun by President Bush?
13. What impact did President Obama have on foreign policies related to Cuba and Iran?

Technology Shapes Life
14. What are some ways technology has affected American businesses and individuals?
15. How is technology transforming access to education worldwide?
16. What did the Hubble Space Telescope discover in late 1995?
17. What change has occurred in recent years with AIDS and cancer survival rates?

The Changing Face of America
18. How has urban flight changed cities and suburbs?
19. How can natural disasters affect cities?
20. What special problems have struck the downtown areas of small cities and towns, and what solutions have been attempted?
22. How has government addressed the issue of increasing minority populations?

Critical Thinking
1. Sequence Create a timeline of important events from the 2000 election.

Which event do you think was the turning point? Explain.
2. **Evaluate** Do you think President Bush's domestic and foreign policy responses after the September 11 attacks were appropriate? Why or why not?

3. **Compare and Contrast** How did the domestic policies of presidents Clinton, Bush, and Obama differ? How did their foreign policies compare?

4. **Analyze Causes** How have interactions in the Middle East affected the image of the United States in the region?

5. **Analyze Issues** How far should the government go in protecting the public from terrorism and other threats, while guarding the privacy rights of the individual?

6. **Analyze Effects** How has the American workforce changed in recent years? What effects have the changes had on society?

7. **Synthesize** What are some issues discussed in this module that involve relationships between U.S. domestic and foreign policies?

8. **Develop Historical Perspective** What role did diplomacy play in developing peaceful relations with other nations and developing alliances and global agreements during the Clinton, Bush, and Obama presidencies?

9. **Identify Problems** Why is increased partisanship in government a problem? Is there anything you can do to improve communication and compromise between political opponents?

10. **Predict** What kinds of technological advancements might change American life during the 21st century?

11. **Form Opinions** Do you think you and your peers are too dependent on electronic gadgets? Why or why not?

12. **Evaluate** Assess the merit and effectiveness of recent legislation in addressing the citizenship status of individuals and groups in the United States.

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**Engage with History**

Imagine that you are either an entrepreneur in a computer field or a researcher in biotechnology or pharmaceuticals. You have developed a remarkable new method, product, or medication. Before you can bring it to the global market, however, you need to investigate government regulations that relate to intellectual property rights, patents, personal privacy, and other ethical issues. Think of a process or product that you feel would be useful and research how the government would address its suitability for distribution.

**Focus on Writing**

Write an expository essay in which you describe the career and accomplishment of a woman or member of a minority group who achieved prominence during the administrations of President Clinton, Bush, or Obama. Examples include Madeleine Albright, Colin Powell, Alberto González, Condoleezza Rice, Hillary Clinton, Nancy Pelosi, Eric Holder, and Loretta Lynch.

**Multimedia Activity**

Organize the class into groups. Each group should conduct research on interventions by the U.S. military in various regions during the tenure of President Clinton, Bush, or Obama. Regions might include Eastern Europe, North Africa, sub-Saharan Africa, the Middle East, or South Asia (including Afghanistan and Pakistan). Groups should analyze the purposes and effects of the intervention and include the context of the Cold War, international peacekeeping efforts, and responses to terrorism, where appropriate. Present your findings to the class using video, text, and other formats.