

CHAPTER 32

The Challenges of the Twenty-First Century



Figure 32.1 In 2001, almost three thousand people died as a result of the September 11 attacks, when members of the terrorist group al-Qaeda hijacked four planes as part of a coordinated attack on sites in New York City and Washington, DC.

Chapter Outline

- 32.1 The War on Terror
- 32.2 The Domestic Mission
- 32.3 New Century, Old Disputes
- 32.4 Hope and Change

Introduction

On the morning of September 11, 2001, hopes that the new century would leave behind the conflicts of the previous one were dashed when two hijacked airliners crashed into the twin towers of New York's World Trade Center. When the first plane struck the north tower, many assumed that the crash was a horrific accident. But then a second plane hit the south tower less than thirty minutes later. People on the street watched in horror, as some of those trapped in the burning buildings jumped to their deaths and the enormous towers collapsed into dust. In the photo above, the Statue of Liberty appears to look on helplessly, as thick plumes of smoke obscure the Lower Manhattan skyline (**Figure 32.1**). The events set in motion by the September 11 attacks would raise fundamental questions about the United States' role in the world, the extent to which privacy should be protected at the cost of security, the definition of exactly who is an American, and the cost of liberty.

32.1 The War on Terror

By the end of this section, you will be able to:

- Discuss how the United States responded to the terrorist attacks of September 11, 2001
- Explain why the United States went to war against Afghanistan and Iraq
- Describe the treatment of suspected terrorists by U.S. law enforcement agencies and the U.S. military

As a result of the narrow decision of the U.S. Supreme Court in *Bush v. Gore*, Republican George W. Bush was the declared winner of the 2000 presidential election with a majority in the Electoral College of 271 votes to 266, although he received approximately 540,000 fewer popular votes nationally than his Democratic opponent, Bill Clinton's vice president, Al Gore. Bush had campaigned with a promise of "compassionate conservatism" at home and nonintervention abroad. These platform planks were designed to appeal to those who felt that the Clinton administration's initiatives in the Balkans and Africa had unnecessarily entangled the United States in the conflicts of foreign nations. Bush's 2001 education reform act, dubbed No Child Left Behind, had strong bipartisan support and reflected his domestic interests. But before the president could sign the bill into law, the world changed when terrorists hijacked four American airliners to use them in the deadliest attack on the United States since the Japanese bombing of Pearl Harbor in December 1941. Bush's domestic agenda quickly took a backseat, as the president swiftly changed course from nonintervention in foreign affairs to a "war on terror."

9/11

Shortly after takeoff on the morning of September 11, 2001, teams of hijackers from the Islamist terrorist group **al-Qaeda** seized control of four American airliners. Two of the airplanes were flown into the twin towers of the World Trade Center in Lower Manhattan. Morning news programs that were filming the

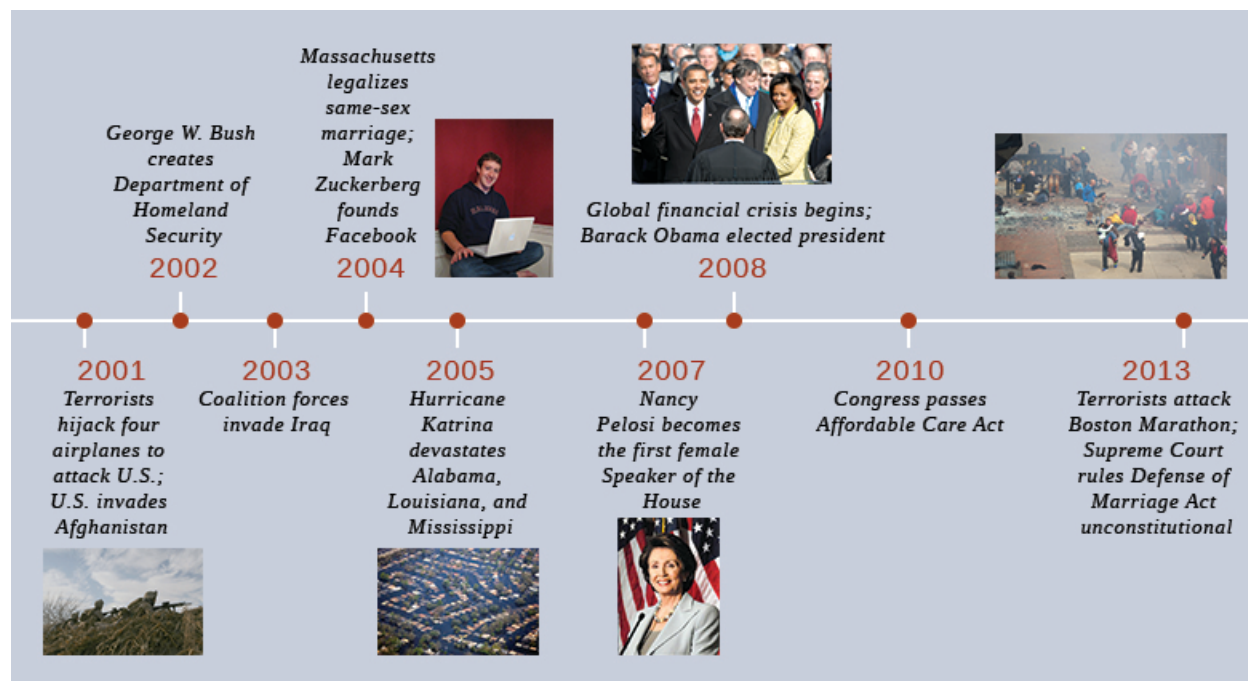


Figure 32.2 (credit "2004": modification of work by Elaine and Priscilla Chan; credit "2013": modification of work by Aaron Tang; credit "2001": modification of work by "DVIDSHUB"/Flickr)

moments after the first impact, then assumed to be an accident, captured and aired live footage of the second plane, as it barreled into the other tower in a flash of fire and smoke. Less than two hours later, the heat from the crash and the explosion of jet fuel caused the upper floors of both buildings to collapse onto the lower floors, reducing both towers to smoldering rubble. The passengers and crew on both planes, as well as 2,606 people in the two buildings, all died, including 343 New York City firefighters who rushed in to save victims shortly before the towers collapsed.

The third hijacked plane was flown into the Pentagon building in northern Virginia, just outside Washington, DC, killing everyone on board and 125 people on the ground. The fourth plane, also heading towards Washington, crashed in a field near Shanksville, Pennsylvania, when passengers, aware of the other attacks, attempted to storm the cockpit and disarm the hijackers. Everyone on board was killed (**Figure 32.3**).

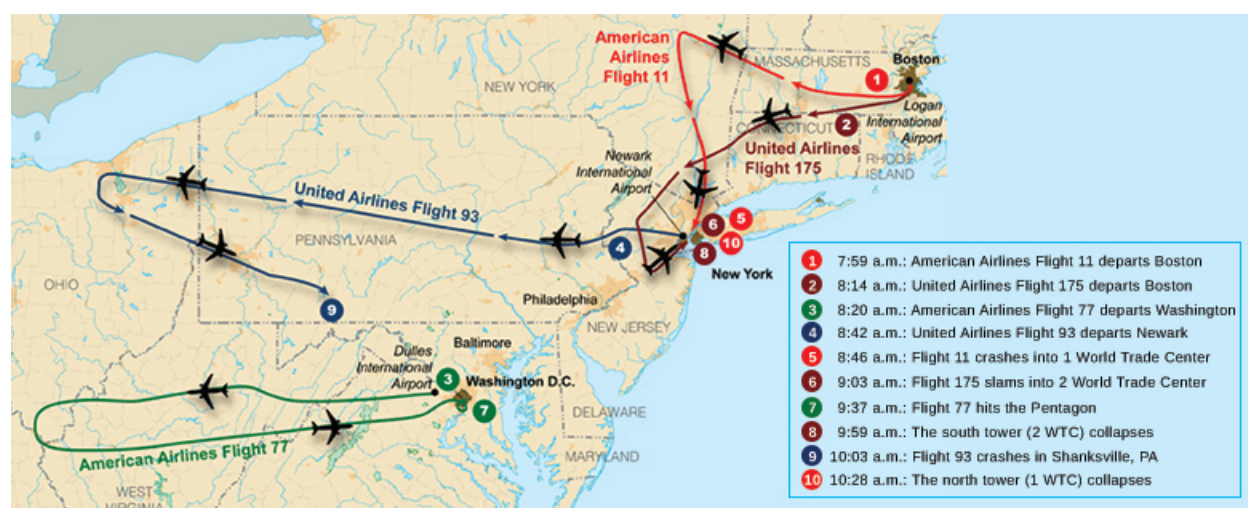


Figure 32.3 Three of the four airliners hijacked on September 11, 2001, reached their targets. United 93, presumably on its way to destroy either the Capitol or the White House, was brought down in a field after a struggle between the passengers and the hijackers.

That evening, President Bush promised the nation that those responsible for the attacks would be brought to justice. Three days later, Congress issued a joint resolution authorizing the president to use all means necessary against the individuals, organizations, or nations involved in the attacks. On September 20, in an address to a joint session of Congress, Bush declared war on terrorism, blamed al-Qaeda leader Osama bin Laden for the attacks, and demanded that the radical Islamic fundamentalists who ruled Afghanistan, the **Taliban**, turn bin Laden over or face attack by the United States. This speech encapsulated what became known as the **Bush Doctrine**, the belief that the United States has the right to protect itself from terrorist acts by engaging in pre-emptive wars or ousting hostile governments in favor of friendly, preferably democratic, regimes.

Click and Explore



Read the text of **President Bush's address** (<http://openstaxcollege.org//15Bush911>) to Congress declaring a "war on terror."

World leaders and millions of their citizens expressed support for the United States and condemned the deadly attacks. Russian president Vladimir Putin characterized them as a bold challenge to humanity itself. German chancellor Gerhard Schröder said the events of that day were “not only attacks on the people in the United States, our friends in America, but also against the entire civilized world, against our own freedom, against our own values, values which we share with the American people.” Yasser Arafat, chairman of the Palestinian Liberation Organization and a veteran of several bloody struggles against Israel, was dumbfounded by the news and announced to reporters in Gaza, “We completely condemn this very dangerous attack, and I convey my condolences to the American people, to the American president and to the American administration.”

Click and Explore



In May 2014, a Museum dedicated to the memory of the victims was completed. Watch this [video \(http://openstaxcollege.org//15CBSstory\)](http://openstaxcollege.org//15CBSstory) and learn more about the victims and how the country seeks to remember them.

GOING TO WAR IN AFGHANISTAN

When it became clear that the mastermind behind the attack was Osama bin Laden, a wealthy Saudi Arabian national who ran his terror network from Afghanistan, the full attention of the United States turned towards Central Asia and the Taliban. Bin Laden had deep roots in Afghanistan. Like many others from around the Islamic world, he had come to the country to oust the Soviet army, which invaded Afghanistan in 1979. Ironically, both bin Laden and the Taliban received material support from the United States at that time. By the late 1980s, the Soviets and the Americans had both left, although bin Laden, by that time the leader of his own terrorist organization, al-Qaeda, remained.

The Taliban refused to turn bin Laden over, and the United States began a bombing campaign in October, allying with the Afghan Northern Alliance, a coalition of tribal leaders opposed to the Taliban. U.S. air support was soon augmented by ground troops (**Figure 32.4**). By November 2001, the Taliban had been ousted from power in Afghanistan’s capital of Kabul, but bin Laden and his followers had already escaped across the Afghan border to mountain sanctuaries in northern Pakistan.



Figure 32.4 Marines fight against Taliban forces in Helmand Province, Afghanistan. Helmand was a center of Taliban strength. (credit: “DVIDSHUB”/Flickr)

IRAQ

At the same time that the U.S. military was taking control of Afghanistan, the Bush administration was looking to a new and larger war with the country of Iraq. Relations between the United States and Iraq had been strained ever since the Gulf War a decade earlier. Economic sanctions imposed on Iraq by the United Nations, and American attempts to foster internal revolts against President Saddam Hussein's government, had further tainted the relationship. A faction within the Bush administration, sometimes labeled neoconservatives, believed Iraq's recalcitrance in the face of overwhelming U.S. military superiority represented a dangerous symbol to terrorist groups around the world, recently emboldened by the dramatic success of the al-Qaeda attacks in the United States. Powerful members of this faction, including Vice President Dick Cheney and Secretary of Defense Donald Rumsfeld, believed the time to strike Iraq and solve this festering problem was right then, in the wake of 9/11. Others, like Secretary of State Colin Powell, a highly respected veteran of the Vietnam War and former chair of the Joint Chiefs of Staff, were more cautious about initiating combat.

The more militant side won, and the argument for war was gradually laid out for the American people. The immediate impetus to the invasion, it argued, was the fear that Hussein was stockpiling weapons of mass destruction (**WMDs**): nuclear, chemical, or biological weapons capable of wreaking great havoc. Hussein had in fact used WMDs against Iranian forces during his war with Iran in the 1980s, and against the Kurds in northern Iraq in 1988—a time when the United States actively supported the Iraqi dictator. Following the Gulf War, inspectors from the United Nations Special Commission and International Atomic Energy Agency had in fact located and destroyed stockpiles of Iraqi weapons. Those arguing for a new Iraqi invasion insisted, however, that weapons still existed. President Bush himself told the nation in October 2002 that the United States was “facing clear evidence of peril, we cannot wait for the final proof—the smoking gun—that could come in the form of a mushroom cloud.” The head of the United Nations Monitoring, Verification and Inspection Commission, Hans Blix, dismissed these claims. Blix argued that while Saddam Hussein was not being entirely forthright, he did not appear to be in possession of WMDs. Despite Blix's findings and his own earlier misgivings, Powell argued in 2003 before the United Nations General Assembly that Hussein had violated UN resolutions. Much of his evidence relied on secret information provided by an informant that was later proven to be false. On March 17, 2003, the United States cut off all relations with Iraq. Two days later, in a coalition with Great Britain, Australia, and Poland, the United States began “Operation Iraqi Freedom” with an invasion of Iraq.

Other arguments supporting the invasion noted the ease with which the operation could be accomplished. In February 2002, some in the Department of Defense were suggesting the war would be “a cakewalk.” In November, referencing the short and successful Gulf War of 1990–1991, Secretary of Defense Rumsfeld told the American people it was absurd, as some were claiming, that the conflict would degenerate into a long, drawn-out quagmire. “Five days or five weeks or five months, but it certainly isn't going to last any longer than that,” he insisted. “It won't be a World War III.” And, just days before the start of combat operations in 2003, Vice President Cheney announced that U.S. forces would likely “be greeted as liberators,” and the war would be over in “weeks rather than months.”

Early in the conflict, these predictions seemed to be coming true. The march into Bagdad went fairly smoothly. Soon Americans back home were watching on television as U.S. soldiers and the Iraqi people worked together to topple statues of the deposed leader Hussein around the capital. The reality, however, was far more complex. While American deaths had been few, thousands of Iraqis had died, and the seeds of internal strife and resentment against the United States had been sown. The United States was not prepared for a long period of occupation; it was also not prepared for the inevitable problems of law and order, or for the violent sectarian conflicts that emerged. Thus, even though Bush proclaimed a U.S. victory in May 2003, on the deck of the USS *Abraham Lincoln* with the banner “Mission Accomplished” prominently displayed behind him, the celebration proved premature by more than seven years (**Figure 32.5**).



Figure 32.5 President Bush gives the victory symbol on the aircraft carrier USS *Abraham Lincoln* in May 2003, after American troops had completed the capture of Iraq's capitol Baghdad. Yet, by the time the United States finally withdrew its forces from Iraq in 2011, nearly five thousand U.S. soldiers had died.

MY STORY

Lt. General James Conway on the Invasion of Baghdad

Lt. General James Conway, who commanded the First Marine Expeditionary Force in Iraq, answers a reporter's questions about civilian casualties during the 2003 invasion of Baghdad.

"As a civilian in those early days, one definitely had the sense that the high command had expected something to happen which didn't. Was that a correct perception?"

—We were told by our intelligence folks that the enemy is carrying civilian clothes in their packs because, as soon as the shooting starts, they're going put on their civilian clothes and they're going go home. Well, they put on their civilian clothes, but not to go home. They put on civilian clothes to blend with the civilians and shoot back at us. . . .

"There's been some criticism of the behavior of the Marines at the Diyala bridge [across the Tigris River into Baghdad] in terms of civilian casualties."

—Well, after the Third Battalion, Fourth Marines crossed, the resistance was not all gone. . . . They had just fought to take a bridge. They were being counterattacked by enemy forces. Some of the civilian vehicles that wound up with the bullet holes in them contained enemy fighters in uniform with weapons, some of them did not. Again, we're terribly sorry about the loss of any civilian life where civilians are killed in a battlefield setting. I will guarantee you, it was not the intent of those Marines to kill civilians. [The civilian casualties happened because the Marines] felt threatened, [and] they were having a tough time distinguishing from an enemy that [is violating] the laws of land warfare by going to civilian clothes, putting his own people at risk. All of those things, I think, [had an] impact [on the behavior of the Marines], and in the end it's very unfortunate that civilians died.

Who in your opinion bears primary responsibility for the deaths of Iraqi civilians?

DOMESTIC SECURITY

The attacks of September 11 awakened many to the reality that the end of the Cold War did not mean an end to foreign violent threats. Some Americans grew wary of alleged possible enemies in their midst and hate crimes against Muslim Americans—and those thought to be Muslims—surged in the aftermath.

Fearing that terrorists might strike within the nation's borders again, and aware of the chronic lack of cooperation among different federal law enforcement agencies, Bush created the Office of Homeland Security in October 2001. The next year, Congress passed the Homeland Security Act, creating the Department of Homeland Security, which centralized control over a number of different government functions in order to better control threats at home (**Figure 32.6**). The Bush administration also pushed the USA Patriot Act through Congress, which enabled law enforcement agencies to monitor citizens' e-mails and phone conversations without a warrant.

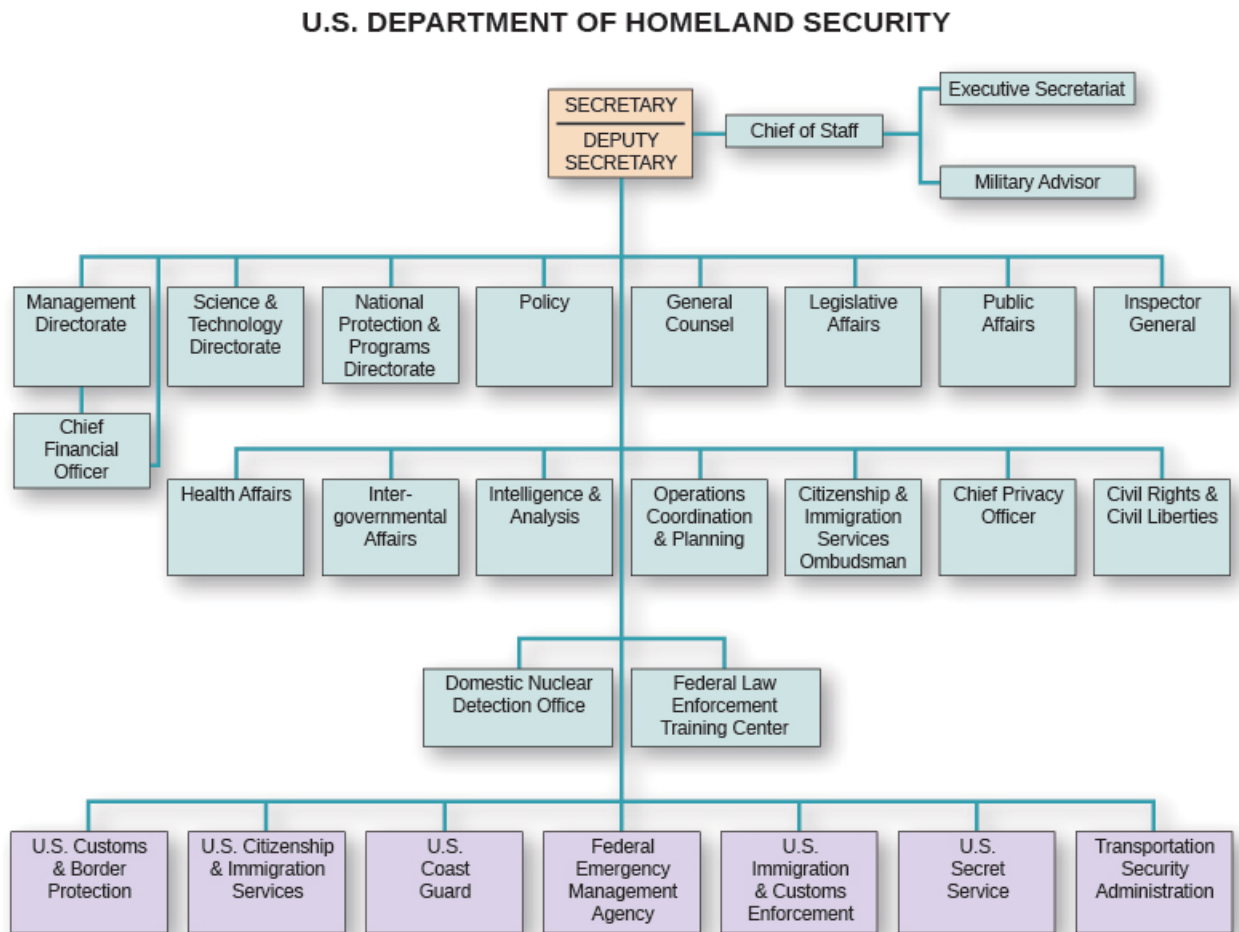


Figure 32.6 The Department of Homeland Security has many duties, including guarding U.S. borders and, as this organizational chart shows, wielding control over the Coast Guard, the Secret Service, U.S. Customs, and a multitude of other law enforcement agencies.

The Bush administration was fiercely committed to rooting out threats to the United States wherever they originated, and in the weeks after September 11, the Central Intelligence Agency (CIA) scoured the globe, sweeping up thousands of young Muslim men. Because U.S. law prohibits the use of torture, the CIA transferred some of these prisoners to other nations—a practice known as rendition or extraordinary rendition—where the local authorities can use methods of interrogation not allowed in the United States.

While the CIA operates overseas, the Federal Bureau of Investigation (FBI) is the chief federal law enforcement agency within U.S. national borders. Its activities are limited by, among other things, the Fourth Amendment, which protects citizens against unreasonable searches and seizures. Beginning in 2002, however, the Bush administration implemented a wide-ranging program of warrantless domestic wiretapping, known as the Terrorist Surveillance Program, by the National Security Agency (NSA). The shaky constitutional basis for this program was ultimately revealed in August 2006, when a federal judge

in Detroit ordered the program ended immediately.

The use of unconstitutional wire taps to prosecute the war on terrorism was only one way the new threat challenged authorities in the United States. Another problem was deciding what to do with foreign terrorists captured on the battlefields in Afghanistan and Iraq. In traditional conflicts, where both sides are uniformed combatants, the rules of engagement and the treatment of prisoners of war are clear. But in the new war on terror, extracting intelligence about upcoming attacks became a top priority that superseded human rights and constitutional concerns. For that purpose, the United States began transporting men suspected of being members of al-Qaeda to the U.S. naval base at Guantanamo Bay, Cuba, for questioning. The Bush administration labeled the detainees “unlawful combatants,” in an effort to avoid affording them the rights guaranteed to prisoners of war, such as protection from torture, by international treaties such as the Geneva Conventions. Furthermore, the Justice Department argued that the prisoners were unable to sue for their rights in U.S. courts on the grounds that the constitution did not apply to U.S. territories. It was only in 2006 that the Supreme Court ruled in *Hamdan v. Rumsfeld* that the military tribunals that tried Guantanamo prisoners violated both U.S. federal law and the Geneva Conventions.

32.2 The Domestic Mission

By the end of this section, you will be able to:

- Discuss the Bush administration’s economic theories and tax policies, and their effects on the American economy
- Explain how the federal government attempted to improve the American public education system
- Describe the federal government’s response to Hurricane Katrina
- Identify the causes of the Great Recession of 2008 and its effect on the average citizen

By the time George W. Bush became president, the concept of supply-side economics had become an article of faith within the Republican Party. The oft-repeated argument was that tax cuts for the wealthy would allow them to invest more and create jobs for everyone else. This belief in the self-regulatory powers of competition also served as the foundation of Bush’s education reform. But by the end of 2008, however, Americans’ faith in the dynamics of the free market had been badly shaken. The failure of the homeland security apparatus during Hurricane Katrina and the ongoing challenge of the Iraq War compounded the effects of the bleak economic situation.

OPENING AND CLOSING THE GAP

The Republican Party platform for the 2000 election offered the American people an opportunity to once again test the rosy expectations of supply-side economics. In 2001, Bush and the Republicans pushed through a \$1.35 trillion tax cut by lowering tax rates across the board but reserving the largest cuts for those in the highest tax brackets. This was in the face of calls by Republicans for a balanced budget, which Bush insisted would happen when the so-called job creators expanded the economy by using their increased income to invest in business.

The cuts were controversial; the rich were getting richer while the middle and lower classes bore a proportionally larger share of the nation’s tax burden. Between 1966 and 2001, one-half of the nation’s income gained from increased productivity went to the top 0.01 percent of earners. By 2005, dramatic examples of income inequity were increasing; the chief executive of Wal-Mart earned \$15 million that year, roughly 950 times what the company’s average associate made. The head of the construction company K. B. Homes made \$150 million, or four thousand times what the average construction worker earned that same year. Even as productivity climbed, workers’ incomes stagnated; with a larger share of the wealth,

the very rich further solidified their influence on public policy. Left with a smaller share of the economic pie, average workers had fewer resources to improve their lives or contribute to the nation's prosperity by, for example, educating themselves and their children.

Another gap that had been widening for years was the education gap. Some education researchers had argued that American students were being left behind. In 1983, a commission established by Ronald Reagan had published a sobering assessment of the American educational system entitled *A Nation at Risk*. The report argued that American students were more poorly educated than their peers in other countries, especially in areas such as math and science, and were thus unprepared to compete in the global marketplace. Furthermore, test scores revealed serious educational achievement gaps between white students and students of color. Touting himself as the “education president,” Bush sought to introduce reforms that would close these gaps.

His administration offered two potential solutions to these problems. First, it sought to hold schools accountable for raising standards and enabling students to meet them. The No Child Left Behind Act, signed into law in January 2002, erected a system of testing to measure and ultimately improve student performance in reading and math at all schools that received federal funds (**Figure 32.7**). Schools whose students performed poorly on the tests would be labeled “in need of improvement.” If poor performance continued, schools could face changes in curricula and teachers, or even the prospect of closure.



Figure 32.7 President Bush signed the No Child Left Behind Act into law in January 2002. The act requires school systems to set high standards for students, place “highly qualified” teachers in the classroom, and give military recruiters contact information for students.

The second proposed solution was to give students the opportunity to attend schools with better performance records. Some of these might be **charter schools**, institutions funded by local tax monies in much the same way as public schools, but able to accept private donations and exempt from some of the rules public schools must follow. During the administration of George H. W. Bush, the development of charter schools had gathered momentum, and the American Federation of Teachers welcomed them as places to employ innovative teaching methods or offer specialized instruction in particular subjects. President George W. Bush now encouraged states to grant educational funding vouchers to parents, who could use them to pay for a private education for their children if they chose. These vouchers were funded by tax revenue that would otherwise have gone to public schools.

THE 2004 ELECTION AND BUSH'S SECOND TERM

In the wake of the 9/11 attacks, Americans had rallied around their president in a gesture of patriotic loyalty, giving Bush approval ratings of 90 percent. Even following the first few months of the Iraq war, his approval rating remained historically high at approximately 70 percent. But as the 2004 election approached, opposition to the war in Iraq began to grow. While Bush could boast of a number of achievements at home and abroad during his first term, the narrow victory he achieved in 2000 augured

poorly for his chances for reelection in 2004 and a successful second term.

Reelection

As the 2004 campaign ramped up, the president was persistently dogged by rising criticism of the violence of the Iraq war and the fact that his administration's claims of WMDs had been greatly overstated. In the end, no such weapons were ever found. These criticisms were amplified by growing international concern over the treatment of prisoners at the Guantanamo Bay detention camp and widespread disgust over the torture conducted by U.S. troops at the prison in Abu Ghraib, Iraq, which surfaced only months before the election (**Figure 32.8**).



Figure 32.8 The first twenty captives were processed at the Guantanamo Bay detention camp on January 11, 2002 (a). From late 2003 to early 2004, prisoners held in Abu Ghraib, Iraq, were tortured and humiliated in a variety of ways (b). U.S. soldiers jumped on and beat them, led them on leashes, made them pose naked, and urinated on them. The release of photographs of the abuse raised an outcry around the world and greatly diminished the already flagging support for American intervention in Iraq.

In March 2004, an ambush by Iraqi insurgents of a convoy of private military contractors from Blackwater USA in the town of Fallujah west of Baghdad, and the subsequent torture and mutilation of the four captured mercenaries, shocked the American public. But the event also highlighted the growing insurgency against U.S. occupation, the escalating sectarian conflict between the newly empowered Shia Muslims and the minority of the formerly ruling Sunni, and the escalating costs of a war involving a large number of private contractors that, by conservative estimates, approached \$1.7 trillion by 2013. Just as importantly, the American campaign in Iraq had diverted resources from the war against al-Qaeda in Afghanistan, where U.S. troops were no closer to capturing Osama bin Laden, the mastermind behind the 9/11 attacks.

With two hot wars overseas, one of which appeared to be spiraling out of control, the Democrats nominated a decorated Vietnam War veteran, Massachusetts senator John Kerry (**Figure 32.9**), to challenge Bush for the presidency. As someone with combat experience, three Purple Hearts, and a foreign policy background, Kerry seemed like the right challenger in a time of war. But his record of support for the invasion of Iraq made his criticism of the incumbent less compelling and earned him the byname “Waffler” from Republicans. The Bush campaign also sought to characterize Kerry as an elitist out of touch with regular Americans—Kerry had studied overseas, spoke fluent French, and married a wealthy foreign-born heiress. Republican supporters also unleashed an attack on Kerry’s Vietnam War record, falsely claiming he had lied about his experience and fraudulently received his medals. Kerry’s reluctance to embrace his past leadership of Vietnam Veterans Against the War weakened the enthusiasm of antiwar Americans while opening him up to criticisms from veterans groups. This combination compromised the impact of his challenge to the incumbent in a time of war.



Figure 32.9 John Kerry served in the U.S. Navy during the Vietnam War and represented Massachusetts in the U.S. Senate from 1985 to 2013. Here he greets sailors from the USS *Sampson*. Kerry was sworn in as President Obama's Secretary of State in 2013.

Urged by the Republican Party to “stay the course” with Bush, voters listened. Bush won another narrow victory, and the Republican Party did well overall, picking up four seats in the Senate and increasing its majority there to fifty-five. In the House, the Republican Party gained three seats, adding to its majority there as well. Across the nation, most governorships also went to Republicans, and Republicans dominated many state legislatures.

Despite a narrow win, the president made a bold declaration in his first news conference following the election. “I earned capital in this campaign, political capital, and now I intend to spend it.” The policies on which he chose to spend this political capital included the partial privatization of Social Security and new limits on court-awarded damages in medical malpractice lawsuits. In foreign affairs, Bush promised that the United States would work towards “ending tyranny in the world.” But at home and abroad, the president achieved few of his second-term goals. Instead, his second term in office became associated with the persistent challenge of pacifying Iraq, the failure of the homeland security apparatus during Hurricane Katrina, and the most severe economic crisis since the Great Depression.

A Failed Domestic Agenda

The Bush administration had planned a series of free-market reforms, but corruption, scandals, and Democrats in Congress made these goals hard to accomplish. Plans to convert Social Security into a private-market mechanism relied on the claim that demographic trends would eventually make the system unaffordable for the shrinking number of young workers, but critics countered that this was easily fixed. Privatization, on the other hand, threatened to derail the mission of the New Deal welfare agency and turn it into a fee generator for stock brokers and Wall Street financiers. Similarly unpopular was the attempt to abolish the estate tax. Labeled the “death tax” by its critics, its abolishment would have benefitted only the wealthiest 1 percent. As a result of the 2003 tax cuts, the growing federal deficit did not help make the case for Republicans.

The nation faced another policy crisis when the Republican-dominated House of Representatives approved a bill making the undocumented status of millions of immigrants a felony and criminalizing the act of employing or knowingly aiding illegal immigrants. In response, millions of illegal and legal immigrants, along with other critics of the bill, took to the streets in protest. What they saw as the civil rights challenge of their generation, conservatives read as a dangerous challenge to law and national security. Congress eventually agreed on a massive build-up of the U.S. Border Patrol and the construction of a seven-hundred-mile-long fence along the border with Mexico, but the deep divisions over immigration and the status of up to twelve million undocumented immigrants remained unresolved.

Hurricane Katrina

One event highlighted the nation's economic inequality and racial divisions, as well as the Bush administration's difficulty in addressing them effectively. On August 29, 2005, Hurricane Katrina came ashore and devastated coastal stretches of Alabama, Mississippi, and Louisiana. The city of New Orleans, no stranger to hurricanes and floods, suffered heavy damage when the levees, embankments designed to protect against flooding, failed during the storm surge, as the Army Corps of Engineers had warned they might. The flooding killed some fifteen hundred people and so overwhelmed parts of the city that tens of thousands more were trapped and unable to evacuate (**Figure 32.10**). Thousands who were elderly, ill, or too poor to own a car followed the mayor's directions and sought refuge at the Superdome, which lacked adequate food, water, and sanitation. Public services collapsed under the weight of the crisis.



Figure 32.10 Large portions of the city of New Orleans were flooded during Hurricane Katrina. Although most of the city's population managed to evacuate in time, its poorest residents were left behind.

Click and Explore



See pictures of the aftermath of **Hurricane Katrina** (<http://openstaxcollege.org//15Katrina>) and read and view accounts of survivors of the disaster.

Although the U.S. Coast Guard managed to rescue more than thirty-five thousand people from the stricken city, the response by other federal bodies was less effective. The Federal Emergency Management Agency (FEMA), an agency charged with assisting state and local governments in times of natural disaster, proved inept at coordinating different agencies and utilizing the rescue infrastructure at its disposal. Critics argued that FEMA was to blame and that its director, Michael D. Brown, a Bush friend and appointee with no background in emergency management, was an example of cronyism at its worst. The failures of FEMA were particularly harmful for an administration that had made “homeland security” its top priority. Supporters of the president, however, argued that the scale of the disaster was such that no amount of preparedness or competence could have allowed federal agencies to cope.

While there was plenty of blame to go around—at the city, state, and national levels—FEMA and the Bush administration got the lion's share. Even when the president attempted to demonstrate his concern with a personal appearance, the tactic largely backfired. Photographs of him looking down on a flooded New

Orleans from the comfort of Air Force One only reinforced the impression of a president detached from the problems of everyday people. Despite his attempts to give an uplifting speech from Jackson Square, he was unable to shake this characterization, and it underscored the disappointments of his second term. On the eve of the 2006 midterm elections, President Bush's popularity had reached a new low, as a result of the war in Iraq and Hurricane Katrina, and a growing number of Americans feared that his party's economic policy benefitted the wealthy first and foremost. Young voters, non-white Americans, and women favored the Democratic ticket by large margins. The elections handed Democrats control of the Senate and House for the first time since 1994, and, in January 2007, California representative Nancy Pelosi became the first female Speaker of the House in the nation's history.

THE GREAT RECESSION

For most Americans, the millennium had started with economic woes. In March 2001, the U.S. stock market had taken a sharp drop, and the ensuing recession triggered the loss of millions of jobs over the next two years. In response, the Federal Reserve Board cut interest rates to historic lows to encourage consumer spending. By 2002, the economy seemed to be stabilizing somewhat, but few of the manufacturing jobs lost were restored to the national economy. Instead, the "outsourcing" of jobs to China and India became an increasing concern, along with a surge in corporate scandals. After years of reaping tremendous profits in the deregulated energy markets, Houston-based Enron imploded in 2003 over allegations of massive accounting fraud. Its top executives, Ken Lay and Jeff Skilling, received long prison sentences, but their activities were illustrative of a larger trend in the nation's corporate culture that embroiled reputable companies like JP Morgan Chase and the accounting firm Arthur Anderson. In 2003, Bernard Ebbers, the CEO of communications giant WorldCom, was discovered to have inflated his company's assets by as much as \$11 billion, making it the largest accounting scandal in the nation's history. Only five years later, however, Bernard Madoff's Ponzi scheme would reveal even deeper cracks in the nation's financial economy.

Banks Gone Wild

Notwithstanding economic growth in the 1990s and steadily increasing productivity, wages had remained largely flat relative to inflation since the end of the 1970s; despite the mild recovery, they remained so. To compensate, many consumers were buying on credit, and with interest rates low, financial institutions were eager to oblige them. By 2008, credit card debt had risen to over \$1 trillion. More importantly, banks were making high-risk, high-interest mortgage loans called **subprime mortgages** to consumers who often misunderstood their complex terms and lacked the ability to make the required payments.

These subprime loans had a devastating impact on the larger economy. In the past, a prospective home buyer went to a local bank for a mortgage loan. Because the bank expected to make a profit in the form of interest charged on the loan, it carefully vetted buyers for their ability to repay. Changes in finance and banking laws in the 1990s and early 2000s, however, allowed lending institutions to securitize their mortgage loans and sell them as bonds, thus separating the financial interests of the lender from the ability of the borrower to repay, and making highly risky loans more attractive to lenders. In other words, banks could afford to make bad loans, because they could sell them and not suffer the financial consequences when borrowers failed to repay.

Once they had purchased the loans, larger investment banks bundled them into huge packages known as collateralized debt obligations (CDOs) and sold them to investors around the world. Even though CDOs consisted of subprime mortgages, credit card debt, and other risky investments, credit ratings agencies had a financial incentive to rate them as very safe. Making matters worse, financial institutions created instruments called **credit default swaps**, which were essentially a form of insurance on investments. If the investment lost money, the investors would be compensated. This system, sometimes referred to as the securitization food chain, greatly swelled the housing loan market, especially the market for subprime mortgages, because these loans carried higher interest rates. The result was a housing bubble, in which the

value of homes rose year after year based on the ease with which people now could buy them.

Banks Gone Broke

When the real estate market stalled after reaching a peak in 2007, the house of cards built by the country's largest financial institutions came tumbling down. People began to default on their loans, and more than one hundred mortgage lenders went out of business. American International Group (AIG), a multinational insurance company that had insured many of the investments, faced collapse. Other large financial institutions, which had once been prevented by federal regulations from engaging in risky investment practices, found themselves in danger, as they either were besieged by demands for payment or found their demands on their own insurers unmet. The prestigious investment firm Lehman Brothers was completely wiped out in September 2008. Some endangered companies, like Wall Street giant Merrill Lynch, sold themselves to other financial institutions to survive. A financial panic ensued that revealed other fraudulent schemes built on CDOs. The biggest among them was a pyramid scheme organized by the New York financier Bernard Madoff, who had defrauded his investors by at least \$18 billion.

Realizing that the failure of major financial institutions could result in the collapse of the entire U.S. economy, the chairman of the Federal Reserve, Ben Bernanke, authorized a bailout of the Wall Street firm Bear Stearns, although months later, the financial services firm Lehman Brothers was allowed to file for the largest bankruptcy in the nation's history. Members of Congress met with Bernanke and Secretary of the Treasury Henry Paulson in September 2008, to find a way to head off the crisis. They agreed to use \$700 billion in federal funds to bail out the troubled institutions, and Congress subsequently passed the Emergency Economic Stabilization Act, creating the Troubled Asset Relief Program (TARP). One important element of this program was aid to the auto industry: The Bush administration responded to their appeal with an emergency loan of \$17.4 billion—to be executed by his successor after the November election—to stave off the industry's collapse.

The actions of the Federal Reserve, Congress, and the president prevented the complete disintegration of the nation's financial sector and warded off a scenario like that of the Great Depression. However, the bailouts could not prevent a severe recession in the U.S. and world economy. As people lost faith in the economy, stock prices fell by 45 percent. Unable to receive credit from now-wary banks, smaller businesses found that they could not pay suppliers or employees. With houses at record prices and growing economic uncertainty, people stopped buying new homes. As the value of homes decreased, owners were unable to borrow against them to pay off other obligations, such as credit card debt or car loans. More importantly, millions of homeowners who had expected to sell their houses at a profit and pay off their adjustable-rate mortgages were now stuck in houses with values shrinking below their purchasing price and forced to make mortgage payments they could no longer afford.

Without access to credit, consumer spending declined. Some European nations had suffered similar speculation bubbles in housing, but all had bought into the mortgage securities market and suffered the losses of assets, jobs, and demand as a result. International trade slowed, hurting many American businesses. As the **Great Recession** of 2008 deepened, the situation of ordinary citizens became worse. During the last four months of 2008, one million American workers lost their jobs, and during 2009, another three million found themselves out of work. Under such circumstances, many resented the expensive federal bailout of banks and investment firms. It seemed as if the wealthiest were being rescued by the taxpayer from the consequences of their imprudent and even corrupt practices.

32.3 New Century, Old Disputes

By the end of this section, you will be able to:

- Describe the efforts to reduce the influence of immigrants on American culture
- Describe the evolution of twenty-first-century American attitudes towards same-sex marriage
- Explain the clash over climate change

As the United States entered the twenty-first century, old disputes continued to rear their heads. Some revolved around what it meant to be American and the rights to full citizenship. Others arose from religious conservatism and the influence of the Religious Right on American culture and society. Debates over gay and lesbian rights continued, and arguments over abortion became more complex and contentious, as science and technology advanced. The clash between faith and science also influenced attitudes about how the government should respond to climate change, with religious conservatives finding allies among political conservatives who favored business over potentially expensive measures to reduce harmful emissions.

WHO IS AN AMERICAN?

There is nothing new about anxiety over immigration in the United States. For its entire history, citizens have worried about who is entering the country and the changes that might result. Such concerns began to flare once again beginning in the 1980s, as Americans of European ancestry started to recognize the significant demographic changes on the horizon. The number of Americans of color and multiethnic Americans was growing, as was the percentage of people with other than European ancestry. It was clear the white majority would soon be a demographic minority (**Figure 32.11**).

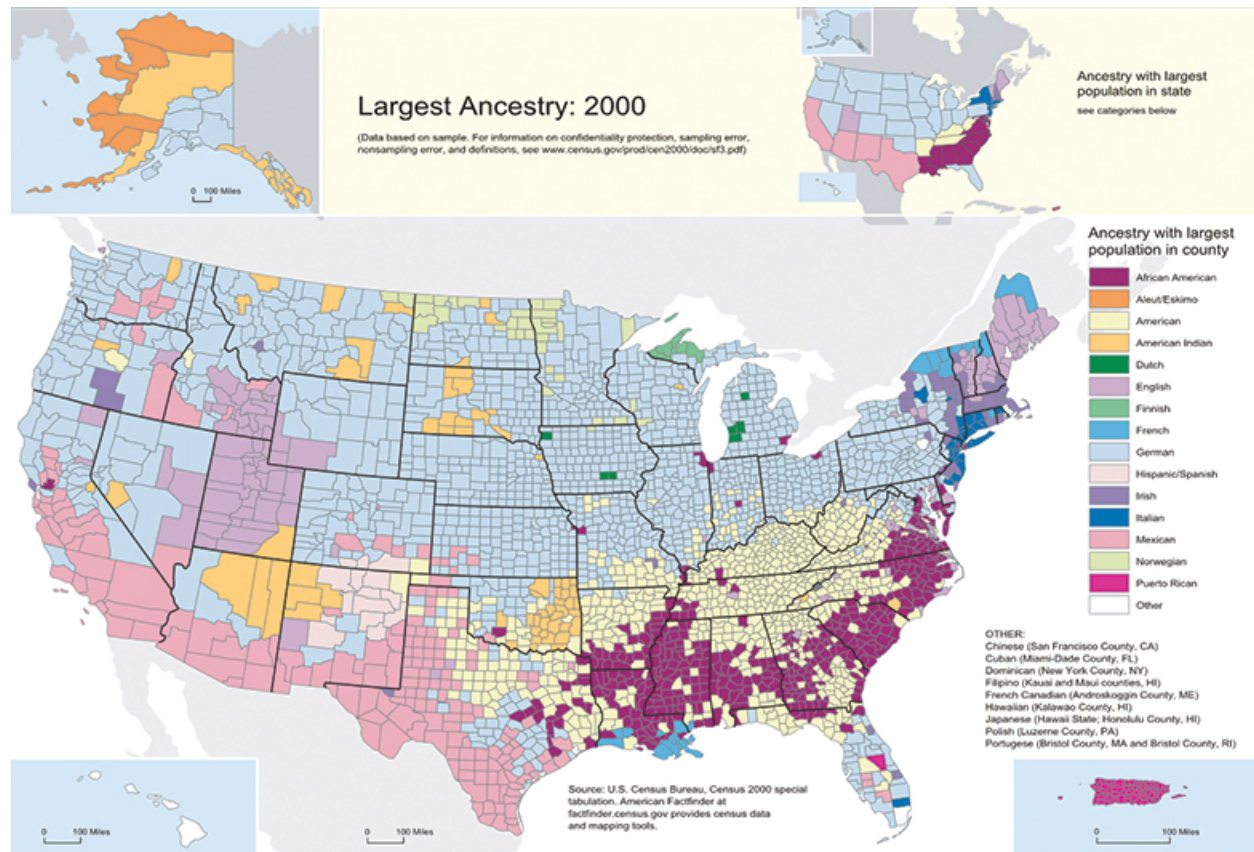


Figure 32.11 This map, based on the 2000 census, indicates the dominant ethnicity in different parts of the country. Note the heavy concentration of African Americans (dark purple) in the South, and the large numbers of those of Mexican ancestry (pink) in California and the Southwest. Why do you think so many in the Upper South are designated as simply American (light yellow)?

The nation's increasing diversity prompted some social conservatives to identify American culture as one of European heritage, including the drive to legally designate English the official language of the United States. This movement was particularly strong in areas of the country with large Spanish-speaking populations such as Arizona, where, in 2006, three-quarters of voters approved a proposition to make English the official language in the state. Proponents in Arizona and elsewhere argued that these laws were necessary, because recent immigrants, especially Hispanic newcomers, were not being sufficiently acculturated to white, middle-class culture. Opponents countered that English was already the *de facto* official language, and codifying it into law would only amount to unnecessary discrimination.

DEFINING "AMERICAN"

Arizona Bans Mexican American Studies

In 2010, Arizona passed a law barring the teaching of any class that promoted “resentment” of students of other races or encouraged “ethnic solidarity.” The ban, to take effect on December 31 of that year, included a popular Mexican American studies program taught at elementary, middle, and high schools in the city of Tucson. The program, which focused on teaching students about Mexican American history and literature, was begun in 1998, to convert high absentee rates and low academic performance among Latino students, and proved highly successful. Public school superintendent Tom Horne objected to the course, however, claiming it encouraged resentment of whites and of the U.S. government, and improperly encouraged students to think of themselves as members of a race instead of as individuals.

Tucson was ordered to end its Mexican American studies program or lose 10 percent of the school system’s funding, approximately \$3 million each month. In 2012, the Tucson school board voted to end the program. A former student and his mother filed a suit in federal court, claiming that the law, which did not prohibit programs teaching Indian students about their culture, was discriminatory and violated the First Amendment rights of Tucson’s students. In March 2013, the court found in favor of the state, ruling that the law was not discriminatory, because it targeted classes, and not students or teachers, and that preventing the teaching of Mexican studies classes did not intrude on students’ constitutional rights. The court did, however, declare the part of the law prohibiting classes designed for members of particular ethnic groups to be unconstitutional.

What advantages or disadvantages can you see in an ethnic studies program? How could an ethnic studies course add to our understanding of U.S. history? Explain.

The fear that English-speaking Americans were being outnumbered by a Hispanic population that was not forced to assimilate was sharpened by the concern that far too many were illegally emigrating from Latin America to the United States. The Comprehensive Immigration Reform Act proposed by Congress in 2006 sought to simultaneously strengthen security along the U.S.-Mexico border (a task for the Department of Homeland Security), increase the number of temporary “guest workers” allowed in the United States, and provide a pathway for long-term U.S. residents who had entered the country illegally to gain legal status. It also sought to establish English as a “common and unifying language” for the nation. The bill and a similar amended version both failed to become law.

With unemployment rates soaring during the Great Recession, anxiety over illegal immigration rose, even while the incoming flow slowed. State legislatures in Alabama and Arizona passed strict new laws that required police and other officials to verify the immigration status of those they thought had entered the country illegally. In Alabama, the new law made it a crime to rent housing to undocumented immigrants, thus making it difficult for these immigrants to live within the state. Both laws have been challenged in court, and portions have been deemed unconstitutional or otherwise blocked.

Beginning in October 2013, states along the U.S.-Mexico border faced an increase in the immigration of children from a handful of Central American countries. Approximately fifty-two thousand children, some unaccompanied, were taken into custody as they reached the United States. A study by the United Nations High Commissioner for Refugees estimated that 58 percent of those migrants, largely from El Salvador and Honduras, were propelled towards the United States by poverty, violence, and the potential for exploitation in their home countries. Because of a 2008 law originally intended to protect victims of human trafficking, these Central American children are guaranteed a court hearing. Predictably, the crisis has served to underline the need for comprehensive immigration reform. But, as of late 2014, a 2013 Senate immigration reform bill that combines border security with a guest worker program and a path to citizenship has yet to be enacted as law.

WHAT IS A MARRIAGE?

In the 1990s, the idea of legal, same-sex marriage seemed particularly unlikely; neither of the two main political parties expressed support for it. Things began to change, however, following Vermont's decision to allow same-sex couples to form state-recognized **civil unions** in which they could enjoy all the legal rights and privileges of marriage. Although it was the intention of the state to create a type of legal relationship equivalent to marriage, it did not use the word "marriage" to describe it.

Following Vermont's lead, several other states legalized same-sex marriages or civil unions among gay and lesbian couples. In 2004, the Massachusetts Supreme Judicial Court ruled that barring gays and lesbians from marrying violated the state constitution. The court held that offering same-sex couples the right to form civil unions but not marriage was an act of discrimination, and Massachusetts became the first state to allow same-sex couples to marry. Not all states followed suit, however, and there was a backlash in several states. Between 1998 and 2012, thirty states banned same-sex marriage either by statute or by amending their constitutions. Other states attempted, unsuccessfully, to do the same. In 2007, the Massachusetts State Legislature rejected a proposed amendment to the state's constitution that would have prohibited such marriages.

Click and Explore



Watch this **detailed documentary** (<http://openstaxcollege.org//15HolyWar>) on the attitudes that prevailed in Colorado in 1992, when the voters of that state approved Amendment 2 to the state's constitution and consequently denied gay and lesbian Coloradans the right to claim relief from local levels of discrimination in public accommodations, housing, or jobs.

While those in support of broadening civil rights to include same-sex marriage were optimistic, those opposed employed new tactics. In 2008, opponents of same-sex marriage in California tried a ballot initiative to define marriage strictly as a union between a man and a woman. Despite strong support for broadening marriage rights, the proposition was successful. This change was just one of dozens that states had been putting in place since the late 1990s to make same-sex marriage unconstitutional at the state level. Like the California proposition, however, many new state constitutional amendments have faced challenges in court (**Figure 32.12**). As of 2014, leaders in both political parties are more receptive than ever before to the idea of same-sex marriage.



Figure 32.12 Supporters and protesters of same-sex marriage gather in front of San Francisco's City Hall (a) as the California Supreme Court decides the fate of Proposition 8, a 2008 ballot measure stating that “only marriage between a man and a woman” would be valid in California. Following the Iowa Supreme Court’s decision to legalize same-sex marriage, supporters rally in Iowa City on April 3, 2009 (b). The banner displays the Iowa state motto: “Our liberties we prize and our rights we will maintain.” (credit a: modification of work by Jamison Wieser; credit b: modification of work by Alan Light)

Click and Explore



Visit the **Pew Research site** (<http://www.pewforum.org/topics/gay-marriage-and-homosexuality/>) to read more about the current status of same-sex marriage in the United States and the rest of the world.

WHY FIGHT CLIMATE CHANGE?

Even as mainstream members of both political parties moved closer together on same-sex marriage, political divisions on scientific debates continued. One increasingly polarizing debate that baffles much of the rest of the world is about global climate change. Despite near unanimity in the scientific community that climate change is real and will have devastating consequences, large segments of the American population, predominantly on the right, continue to insist that it is little more than a complex hoax and a leftist conspiracy. Much of the Republican Party’s base denies that global warming is the result of human activity; some deny that the earth is getting hotter at all. This popular denial has had huge global consequences. In 1998, the United States, which produces roughly 36 percent of the **greenhouse gases** like carbon dioxide that prevent the earth’s heat from escaping into space, signed the **Kyoto Protocol**, an agreement among the world’s nations to reduce their emissions of these gases. President Bush objected to the requirement that major industrialized nations limit their emissions to a greater extent than other parts of the world and argued that doing so might hurt the American economy. He announced that the United States would not be bound by the agreement, and it was never ratified by Congress.

Instead, the Bush administration appeared to suppress scientific reporting on climate change. In 2006, the progressive-leaning Union of Concerned Scientists surveyed sixteen hundred climate scientists, asking them about the state of federal climate research. Of those who responded, nearly three-fourths believed that their research had been subjected to new administrative requirements, third-party editing to change their conclusions, or pressure not to use terms such as “global warming.” Republican politicians, citing the altered reports, argued that there was no unified opinion among members of the scientific community that humans were damaging the climate.

Countering this rejection of science were the activities of many environmentalists, including Al Gore, Clinton’s vice president and Bush’s opponent in the disputed 2000 election. As a new member of Congress in 1976, Gore had developed what proved a steady commitment to environmental issues. In 2004, he established Generation Investment Management, which sought to promote an environmentally responsible system of equity analysis and investment. In 2006, a documentary film, *An Inconvenient Truth*, represented his attempts to educate people about the realities and dangers of global warming, and won the 2007 Academy Award for Best Documentary. Though some of what Gore said was in error, the film’s main thrust is in keeping with the weight of scientific evidence. In 2007, as a result of these efforts to “disseminate greater knowledge about man-made climate change,” Gore shared the Nobel Peace Prize with the Intergovernmental Panel on Climate Change.

32.4 Hope and Change

By the end of this section, you will be able to:

- Describe how Barack Obama’s domestic policies differed from those of George W. Bush
- Discuss the important events of the war on terror during Obama’s two administrations
- Discuss some of the specific challenges facing the United States as Obama’s second term draws to a close

In 2008, American voters, tired of war and dispirited by the economic downturn, elected a relative newcomer to the political scene who inspired them and made them believe that the United States could rise above political partisanship. Barack Obama’s story resembled that of many Americans: a multicultural background; a largely absent father; a single working mother; and care provided by maternal grandparents. As president, Obama would face significant challenges, including managing the economic recovery in the wake of the Great Recession, fighting the war on terror inherited from the previous administration, and implementing the healthcare reform upon which he had campaigned.

OBAMA TAKES OFFICE

Born in Hawaii in 1961 to a Kenyan father and an American woman from Kansas, Obama excelled at school, going on to attend Occidental College in Los Angeles, Columbia University, and finally Harvard Law School, where he became the first African American president of the *Harvard Law Review*. As part of his education, he also spent time in Chicago working as a community organizer to help those displaced by the decline of heavy industry in the early 1980s. Obama first came to national attention when he delivered the keynote address at the 2004 Democratic National Convention while running for his first term in the U.S. Senate. Just a couple of years later, he was running for president himself, the first African American nominee for the office from either major political party.

Obama’s opponent in 2008 was John McCain, a Vietnam veteran and Republican senator with the reputation of a “maverick” who had occasionally broken ranks with his party to support bipartisan initiatives. The senator from Arizona faced a number of challenges. As the Republican nominee, he remained closely associated with the two disastrous foreign wars initiated under the Bush administration.

His late recognition of the economic catastrophe on the eve of the election did not help matters and further damaged the Republican brand at the polls. At seventy-one, he also had to fight accusations that he was too old for the job, an impression made even more striking by his energetic young challenger. To minimize this weakness, McCain chose a young but inexperienced running mate, Governor Sarah Palin of Alaska. This tactic backfired, however, when a number of poor performances in television interviews convinced many voters that Palin was not prepared for higher office (**Figure 32.13**).



Figure 32.13 John McCain (on the far right) campaigns with his wife Cindy (in green), Sarah Palin (in black), and Palin's husband Todd. Palin was a controversial choice for running mate. The campaign never succeeded in erasing the charges that she was ignorant of foreign policy—an impression she enforced in her own ad-lib statements. (credit: Rachael Dickson)

Senator Obama, too, was criticized for his lack of experience with foreign policy, a deficit he remedied by choosing experienced politician Joseph Biden as his running mate. Unlike his Republican opponent, however, Obama offered promises of “hope and change.” By sending out voter reminders on Twitter and connecting with supporters on Facebook, he was able to harness social media and take advantage of grassroots enthusiasm for his candidacy. His youthful vigor drew independents and first-time voters, and he won 95 percent of the African American vote and 44 percent of the white vote (**Figure 32.14**).



Figure 32.14 Barack Obama takes the oath of office as the forty-fourth president of the United States. Standing next to him is First Lady Michelle Obama. Like her husband, she graduated from Harvard Law School.

DEFINING "AMERICAN"

Politicking in a New Century

Barack Obama's campaign seemed to come out of nowhere to overcome the widely supported frontrunner Hillary Clinton in the Democratic primaries. Having won the nomination, Obama shot to the top with an exuberant base of youthful supporters who were encouraged and inspired by his appeal to hope and change. Behind the scenes, the Obama campaign was employing technological innovations and advances in social media to both inform and organize its base.

The Obama campaign realized early that the key to political success in the twenty-first century was to energize young voters by reaching them where they were: online. The organizing potential of platforms like Facebook, YouTube, and Twitter had never before been tapped—and they were free. The results were groundbreaking. Using these social media platforms, the Obama campaign became an organizing and fundraising machine of epic proportions. During his almost two-year-long campaign, Obama accepted 6.5 million donations, totaling \$500 million. The vast majority of online donations were less than \$100. This accomplishment stunned the political establishment, and they have been quick to adapt. Since 2008, nearly every political campaign has followed in Obama's footsteps, effecting a revolution in campaigning in the United States.

ECONOMIC AND HEALTHCARE REFORMS

Barack Obama had been elected on a platform of healthcare reform and a wave of frustration over the sinking economy. As he entered office in 2009, he set out to deal with both. Taking charge of the TARP program instituted under George W. Bush to stabilize the country's financial institutions, Obama oversaw the distribution of some \$7.77 trillion designed to help shore up the nation's banking system. Recognizing that the economic downturn also threatened major auto manufacturers in the United States, he sought and received congressional authorization for \$80 billion to help Chrysler and General Motors. The action was controversial, and some characterized it as a government takeover of industry. The money did, however, help the automakers earn a profit by 2011, reversing the trend of consistent losses that had hurt the industry since 2004. It also helped prevent layoffs and wage cuts. By 2013, the automakers had repaid over \$50 billion of bailout funds. Finally, through the 2009 American Recovery and Reinvestment Act (ARRA), the Obama administration pumped almost \$800 billion into the economy to stimulate economic growth and job creation.

More important for Obama supporters than his attempts to restore the economy was that he fulfill his promise to enact comprehensive healthcare reform. Many assumed such reforms would move quickly through Congress, since Democrats had comfortable majorities in both houses, and both Obama and McCain had campaigned on healthcare reform. However, as had occurred years before during President Clinton's first term, opposition groups saw attempts at reform as an opportunity to put the political brakes on the Obama presidency. After months of political wrangling and condemnations of the healthcare reform plan as socialism, the Patient Protection and Affordable Care Act (**Figure 32.15**) was passed and signed into law.

The act, which created the program known as **Obamacare**, represented the first significant overhaul of the American healthcare system since the passage of Medicaid in 1965. Its goals were to provide all Americans with access to affordable health insurance, to require that everyone in the United States acquire some form of health insurance, and to lower the costs of healthcare. The plan, which made use of government funding, created private insurance company exchanges to market various insurance packages to enrollees.



Figure 32.15 President Obama signs the Patient Protection and Affordable Care Act into law on March 23, 2010, as Vice President Biden, Speaker of the House Nancy Pelosi, Senate Majority Leader Harry Reid, and others look on. (credit: Pete Souza)

Although the plan implemented the market-based reforms that they had supported for years, Republicans refused to vote for it. Following its passage, they called numerous times for its repeal, and more than twenty-four states sued the federal government to stop its implementation. Discontent over the Affordable Care Act helped the Republicans capture the majority in the House of Representatives in the 2010 midterm elections. It also helped spawn the **Tea Party**, a conservative movement focused primarily on limiting government spending and the size of the federal government.

THE ELECTION OF 2012

By the 2012 presidential election, the Republicans, convinced Obama was vulnerable because of opposition to his healthcare program and a weak economy, nominated Mitt Romney, a well-known business executive-turned politician who had earlier signed healthcare reform into state law as governor of Massachusetts (**Figure 32.16**). Romney had unsuccessfully challenged McCain for the Republican nomination in 2008, but by 2012, he had remade himself politically by moving towards the party's right wing and its newly created Tea Party faction, which was pulling the traditional conservative base further to the right with its strong opposition to abortion, gun control, and immigration.



Figure 32.16 Former governor of Massachusetts Mitt Romney became the first member of the Mormon Church to run for president. He claimed his experience as a member of the Mormon lay clergy had made him sympathetic to the needs of the poor, but some of his campaign decisions contradicted this stance. (credit: Mark Taylor)

Romney appealed to a new attitude within the Republican Party. While the percentage of Democrats who

agreed that the government should help people unable to provide for themselves had remained relatively stable from 1987 to 2012, at roughly 75 to 79 percent, the percentage of Republicans who felt the same way had decreased from 62 to 40 percent over the same period, with the greatest decline coming after 2007. Indeed, Romney himself revealed his disdain for people on the lower rungs of the socioeconomic ladder when, at a fundraising event attended by affluent Republicans, he remarked that he did not care to reach the 47 percent of Americans who would always vote for Obama because of their dependence on government assistance. In his eyes, this low-income portion of the population preferred to rely on government social programs instead of trying to improve their own lives.

Click and Explore



Read the **transcript** (<http://openstaxcollege.org//1547percent2>) of “On the 47 percent,” the **secretly recorded speech** (<http://openstaxcollege.org//1547percent>) given by Mitt Romney at a Republican fundraiser.

Starting out behind Obama in the polls, Romney significantly closed the gap in the first of three presidential debates, when he moved towards more centrist positions on many issues. Obama regained momentum in the remaining two debates and used his bailout of the auto industry to appeal to voters in the key states of Michigan and Ohio. Romney’s remarks about the 47 percent hurt his position among both poor Americans and those who sympathized with them. A long-time critic of FEMA who claimed that it should be eliminated, Romney also likely lost votes in the Northeast when, a week before the election, Hurricane Sandy devastated the New England, New York, and New Jersey coasts. Obama and the federal government had largely rebuilt FEMA since its disastrous showing in New Orleans in 2005, and the agency quickly swung into action to assist the 8.5 million people affected by the disaster.

Obama won the election, but the Republicans retained their hold on the House of Representatives and the Democratic majority in the Senate grew razor-thin. Political bickering and intractable Republican resistance, including a 70 percent increase in filibusters over the 1980s, a refusal to allow a vote on some legislation, such as the 2012 “jobs bill,” and the glacial pace at which the Senate confirmed the President’s judicial nominations, created political gridlock in Washington, interfering with Obama’s ability to secure any important legislative victories.

ONGOING CHALLENGES

As Obama entered his second term in office, the economy remained stagnant in many areas. On average, American students continued to fall behind their peers in the rest of the world, and the cost of a college education became increasingly unaffordable for many. Problems continued overseas in Iraq and Afghanistan, and another act of terrorism took place on American soil when bombs exploded at the 2013 Boston Marathon. At the same time, the cause of same-sex marriage made significant advances, and Obama was able to secure greater protection for the environment. He raised fuel-efficiency standards for automobiles to reduce the emissions of greenhouse gases and required coal-burning power plants to capture their carbon emissions.

Learning and Earning

The quality of American education remains a challenge. The global economy is dominated by those

nations with the greatest number of “knowledge workers:” people with specialized knowledge and skills like engineers, scientists, doctors, teachers, financial analysts, and computer programmers. Furthermore, American students’ reading, math, and critical thinking skills are less developed than those of their peers in other industrialized nations, including small countries like Estonia.

The Obama administration sought to make higher education more accessible by increasing the amount that students could receive under the federally funded Pell Grant Program, which, by the 2012–13 academic year, helped 9.5 million students pay for their college education. Obama also worked out a compromise with Congress in 2013, which lowered the interest rates charged on student loans. However, college tuition is still growing at a rate of 2 to 3 percent per year, and the debt burden has surpassed the \$1 trillion mark and is likely to increase. With debt upon graduation averaging about \$29,000, students may find their economic options limited. Instead of buying cars or paying for housing, they may have to join the **boomerang generation** and return to their parents’ homes in order to make their loan payments. Clearly, high levels of debt will affect their career choices and life decisions for the foreseeable future.

Many other Americans continue to be challenged by the state of the economy. Most economists calculate that the Great Recession reached its lowest point in 2009, and the economy has gradually improved since then. The stock market ended 2013 at historic highs, having experienced its biggest percentage gain since 1997. However, despite these gains, the nation struggled to maintain a modest annual growth rate of 2.5 percent after the Great Recession, and the percentage of the population living in poverty continues to hover around 15 percent. Income has decreased (**Figure 32.17**), and, as late as 2011, the unemployment rate was still high in some areas. Eight million full-time workers have been forced into part-time work, whereas 26 million seem to have given up and left the job market.

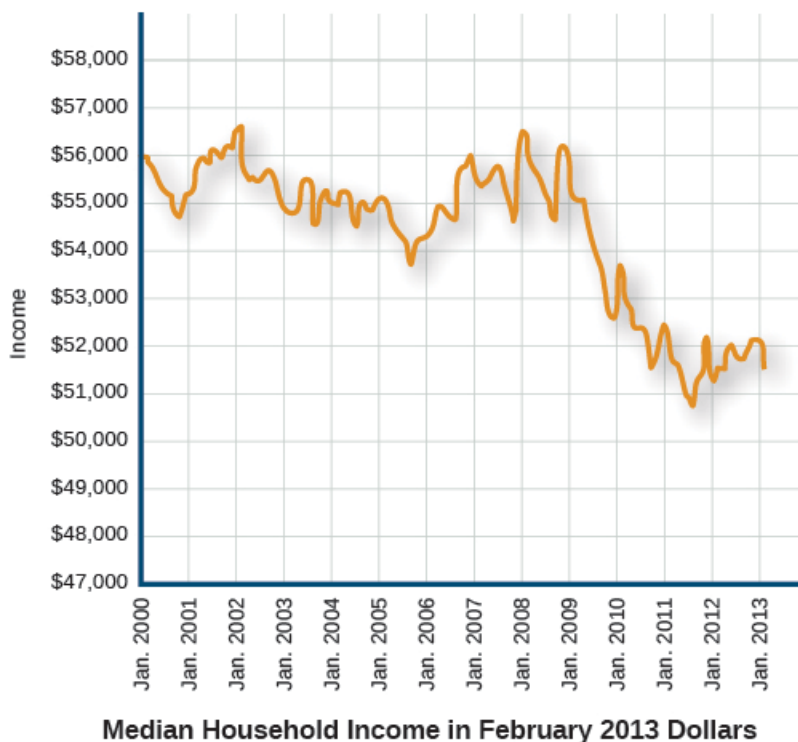


Figure 32.17 Median household income trends reveal a steady downward spiral. The Great Recession may have ended, but many remain worse off than they were in 2008.

LGBT Rights

During Barack Obama’s second term in office, courts began to counter efforts by conservatives to outlaw

same-sex marriage. A series of decisions declared nine states' prohibitions against same-sex marriage to be unconstitutional, and the Supreme Court rejected an attempt to overturn a federal court ruling to that effect in California in June 2013. Shortly thereafter, the Supreme Court also ruled that the Defense of Marriage Act of 1996 was unconstitutional, because it violated the Equal Protection Clause of the Fourteenth Amendment. These decisions seem to allow legal challenges in all the states that persist in trying to block same-sex unions.

The struggle against discrimination based on gender identity has also won some significant victories. In 2014, the U.S. Department of Education ruled that schools receiving federal funds may not discriminate against transgender students, and a board within the Department of Health and Human Services decided that Medicare should cover sexual reassignment surgery. Although very few people eligible for Medicare are transgender, the decision is still important, because private insurance companies often base their coverage on what Medicare considers appropriate and necessary forms of treatment for various conditions. Undoubtedly, the fight for greater rights for LGBT (lesbian, gay, bisexual, transsexual) individuals will continue.

Violence

Another running debate questions the easy accessibility of firearms. Between the spring of 1999, when two teens killed twelve of their classmates, a teacher, and themselves at their high school in Columbine, Colorado, and the early summer of 2014, fifty-two additional shootings or attempted shootings had occurred at schools (**Figure 32.18**). Nearly always, the violence was perpetrated by young people with severe mental health problems, as at Sandy Hook elementary school in Newtown, Connecticut, in 2012. After killing his mother at home, twenty-year-old Adam Lanza went to the school and fatally shot twenty six- and seven-year-old students, along with six adult staff members, before killing himself. Advocates of stricter gun control noted a clear relationship between access to guns and mass shootings. Gun rights advocates, however, disagreed. They argued that access to guns is merely incidental.



Figure 32.18 A candlelight vigil at Virginia Polytechnic Institute and State University in Blacksburg, Virginia, in the wake of the 2007 murder of thirty-two people by a student. The incident remains the deadliest school shooting to date. (credit: "alka3en"/Flickr)

Another shocking act of violence was the attack on the Boston Marathon. On April 15, 2013, shortly before 3:00 p.m., two bombs made from pressure cookers exploded near the finish line (**Figure 32.19**). Three people were killed, and more than 250 were injured. Three days later, two suspects were identified, and a manhunt began. Later that night, the two young men, brothers who had immigrated to the United States from Chechnya, killed a campus security officer at the Massachusetts Institute of Technology, stole a car,

and fled. The older, Tamerlan Tsarnaev, was killed in a fight with the police, and Dzhokhar Tsarnaev was captured the next day. In his statements to the police, Dzhokhar Tsarnaev reported that he and his brother, who he claimed had planned the attacks, had been influenced by the actions of fellow radical Islamists in Afghanistan and Iraq, but he denied they had been affiliated with any larger terrorist group.



Figure 32.19 Bystanders at the finish line of the Boston Marathon help carry the injured to safety after the April 2013 attack. Two bombs exploded only a few seconds and a few hundred yards apart, killing three people. (credit: Aaron Tang)

America and the World

In May 2014, President Obama announced that, for the most part, U.S. combat operations in Afghanistan were over. Although a residual force of ninety-eight hundred soldiers will remain to continue training the Afghan army, by 2016, all U.S. troops will have left the country, except for a small number to defend U.S. diplomatic posts.

The years of warfare have brought the United States few rewards. In Iraq, 4,475 American soldiers died and 32,220 were wounded. In Afghanistan, the toll through February 2013 was 2,165 dead and 18,230 wounded. By some estimates, the total monetary cost of the wars in Iraq and Afghanistan could easily reach \$4 trillion, and the Congressional Budget Office believes that the cost of providing medical care for the veterans might climb to \$8 billion by 2020.

In Iraq, the coalition led by then-Prime Minister Nouri al-Maliki was able to win 92 of the 328 seats in parliament in May 2014, and he seemed poised to begin another term as the country's ruler. The elections, however, did not stem the tide of violence in the country. In June 2014, the Islamic State of Iraq and Syria (ISIS), a radical Islamist militant group consisting of mostly Sunni Muslims and once affiliated with al-Qaeda, seized control of Sunni-dominated areas of Iraq and Syria. On June 29, 2014, it proclaimed the formation of the Islamic State with Abu Bakr al-Baghdadi as caliph, the state's political and religious leader.

Key Terms

al-Qaeda a militant Islamist group originally founded by Osama bin Laden

boomerang generation young people who must return to their parents' home in order to make ends meet

Bush Doctrine the belief that the United States has the right to protect itself from terrorist acts by engaging in pre-emptive wars or ousting hostile governments in favor of friendly, preferably democratic, regimes

charter schools elementary and secondary schools that, although funded by taxpayer money, are allowed to operate independently from some rules and regulations governing public schools

civil unions a civil status offered to gay and lesbian couples with the goal of securing the main privileges of marriage without granting them equal status in marriage

credit default swaps financial instruments that pay buyers even if a purchased loan defaults; a form of insurance for risky loans

Great Recession the economic recession that began in 2008, following the collapse of the housing boom, and was driven by risky and misleading subprime mortgages and a deregulated bond market

greenhouse gases gases in the earth's atmosphere, like carbon dioxide, that trap heat and prevent it from radiating into space

Kyoto Protocol an international agreement establishing regulations designed to reduce greenhouse gas emissions by the world's industrialized nations

Obamacare the Patient Protection and Affordable Care Act

subprime mortgage a type of mortgage offered to borrowers with lower credit ratings; subprime loans feature interest rates that are higher (often adjustable) than conventional mortgages to compensate the bank for the increased risk of default

Taliban a fundamentalist Muslim group that ruled Afghanistan from 1996 to 2001

Tea Party a conservative movement focused primarily on limiting government spending and the size of the federal government

WMDs weapons of mass destruction; a class of weapons capable of inflicting massive casualties and physical destruction, such as nuclear bombs or biological and chemical weapons

Summary

32.1 The War on Terror

George W. Bush's first term in office began with al-Qaeda's deadly attacks on the World Trade Center and the Pentagon on September 11, 2001. Shortly thereafter, the United States found itself at war with Afghanistan, which was accused of harboring the 9/11 mastermind, Osama bin Laden, and his followers. Claiming that Iraq's president Saddam Hussein was building weapons of mass destruction, perhaps with the intent of attacking the United States, the president sent U.S. troops to Iraq as well in 2003. Thousands were killed, and many of the men captured by the United States were imprisoned and sometimes tortured

for information. The ease with which Hussein was deposed led the president to declare that the mission in Iraq had been accomplished only a few months after it began. He was, however, mistaken. Meanwhile, the establishment of the Office of Homeland Security and the passage of the Homeland Security Act and USA Patriot Act created new means and levels of surveillance to identify potential threats.

32.2 The Domestic Mission

When George W. Bush took office in January 2001, he was committed to a Republican agenda. He cut tax rates for the rich and tried to limit the role of government in people's lives, in part by providing students with vouchers to attend charter and private schools, and encouraging religious organizations to provide social services instead of the government. While his tax cuts pushed the United States into a chronically large federal deficit, many of his supply-side economic reforms stalled during his second term. In 2005, Hurricane Katrina underscored the limited capacities of the federal government under Bush to assure homeland security. In combination with increasing discontent over the Iraq War, these events handed Democrats a majority in both houses in 2006. Largely as a result of a deregulated bond market and dubious innovations in home mortgages, the nation reached the pinnacle of a real estate boom in 2007. The threatened collapse of the nations' banks and investment houses required the administration to extend aid to the financial sector. Many resented this bailout of the rich, as ordinary citizens lost jobs and homes in the Great Recession of 2008.

32.3 New Century, Old Disputes

The nation's increasing diversity—and with it, the fact that white Caucasians will soon be a demographic minority—prompted a conservative backlash that continues to manifest itself in debates about immigration. Questions of who is an American and what constitutes a marriage continue to be debated, although the answers are beginning to change. As some states broadened civil rights to include gays and lesbians, groups opposed to these developments sought to impose state constitutional restrictions. From this flurry of activity, however, a new political consensus for expanding marriage rights has begun to emerge. On the issue of climate change, however, polarization has increased. A strong distrust of science among Americans has divided the political parties and hampered scientific research.

32.4 Hope and Change

Despite Republican resistance and political gridlock in Washington during his first term in office, President Barack Obama oversaw the distribution of the TARP program's \$7.77 trillion to help shore up the nation's banking system, and Congress authorized \$80 billion to help Chrysler and General Motors. The goals of Obama's Patient Protection and Affordable Care Act (Obamacare) were to provide all Americans with access to affordable health insurance, to require that everyone in the United States had some form of health insurance, and to lower the costs of healthcare. During his second term, the nation struggled to grow modestly, the percentage of the population living in poverty remained around 15 percent, and unemployment was still high in some areas. Acceptance of same-sex marriage grew, and the United States sharply reduced its military commitments in Iraq and Afghanistan.

Review Questions

1. The prison operated by the U.S. military for the detention and interrogation of terrorist suspects and “enemy combatants” is located at _____.
 - A. Kuwait City, Kuwait
 - B. Riker’s Island, New York
 - C. Guantanamo Bay, Cuba
 - D. Lahore, Pakistan
2. Unwarranted wiretapping in the United States was conducted by _____.
 - A. the FBI
 - B. the CIA
 - C. the *New York Times*
 - D. the NSA
3. In what ways did the U.S. government attempt to deny the rights of prisoners taken in Afghanistan and Iraq?
4. What investment banking firm went bankrupt in 2008, signaling the beginning of a major economic crisis?
 - A. CitiBank
 - B. Wells Fargo
 - C. Lehman Brothers
 - D. Price Waterhouse
5. A subprime mortgage is _____.
 - A. a high-risk, high-interest loan
 - B. a federal bailout for major banks
 - C. a form of insurance on investments
 - D. a form of political capital
6. What are the pros and cons of school vouchers?
7. A popular Mexican American studies program was banned by the state of _____, which accused it of causing resentment of white people.
 - A. New Mexico
 - B. California
 - C. Arizona
 - D. Texas
8. The first state to allow same-sex marriage was _____.
 - A. Massachusetts
 - B. New York
 - C. California
 - D. Pennsylvania
9. What was the result of the Bush administration’s unwillingness to recognize that climate change is being accelerated by human activity?
10. The U.S. Supreme Court ruled the Defense of Marriage Act unconstitutional in _____.
 - A. 2007
 - B. 2009
 - C. 2013
 - D. 2014
11. Which of the following is *not* a goal of Obamacare (the Patient Protection and Affordable Care Act)?
 - A. to provide all Americans with access to affordable health insurance
 - B. to require that everyone in the United States acquire some form of health insurance
 - C. to lower the costs of healthcare
 - D. to increase employment in the healthcare industry
12. What has Barack Obama done to make college education more accessible?

Critical Thinking Questions

13. What factors led to the Great Recession?
14. How have conservatives fared in their efforts to defend “American” culture against an influx of immigrants in the twenty-first century?

15. In what ways are Barack Obama's ideas regarding the economy, education, and the environment similar to those of Bush, his Republican predecessor? In what ways are they different?
16. How successful has the United States been in achieving its goals in Iraq and Afghanistan?
17. In what ways has the United States become a more heterogeneous and inclusive place in the twenty-first century? In what ways has it become more homogenous and exclusive?