



THE BIG IDEA

Beginning in the early 1970s, conservatism replaced liberalism in American politics. During this period

- President Nixon opened diplomatic relations with China and shaped a policy of détente toward the Soviet Union.
- President Ford pardoned President Nixon following his resignation over the Watergate affair.
- President Reagan supported a domestic program of New Federalism during the 1980s that was begun by President Nixon.
- the end of the Cold War led to the dissolution of the Soviet Union.
- President Clinton promoted many ambitious domestic programs during the 1990s.

KEY
TERMS

détente
Watergate affair
stagflation
Camp David Accords
supply-side economics
"Star Wars"
Iran-Contra affair
Persian Gulf War
NAFTA
European Union

SECTION OVERVIEW

After the upheaval of the 1960s, Richard Nixon tried to take the nation into a new direction, but the Watergate affair led to his resignation. His successors, Gerald Ford and Jimmy Carter, struggled with lingering economic troubles. In the 1980s, conservatives Ronald Reagan and George Bush came to power. After the cold war ended, the United States struggled to determine its new role in international relations.

KEY THEMES AND CONCEPTS

As you review this section, take special note of the following key themes and concepts:

Presidential Decisions and Actions How did President Nixon shape a new policy toward China and the Soviet Union?

Economic Systems How did economic problems of the 1970s present unique challenges to the Nixon, Ford, and Carter administrations?

Change How did the international role of the United States change after the end of the cold war?

KEY PEOPLE

Mao Zedong
Warren Burger
Gerald Ford

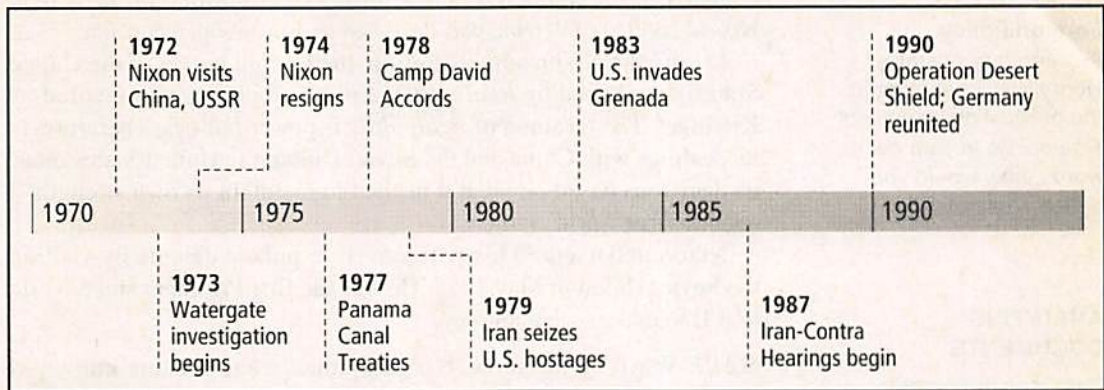
Jimmy Carter
Ronald Reagan
Mikhail Gorbachev

George Bush
Bill Clinton
George W. Bush

KEY SUPREME COURT CASES

Engel v. Vitale (1962)
Gideon v. Wainwright (1963)
Escobedo v. Illinois (1964)
Miranda v. Arizona (1966)
Tinker v. Des Moines Community School District (1969)
New York Times v. United States (1971)
Roe v. Wade (1973)

An Era of Conservatism, 1972–1990



FROM COLD WAR TO DETENTE

Although Nixon's main foreign policy objective was ending the Vietnam War, he had other foreign policy interests as well.

Nixon Doctrine

In 1969, Nixon announced what became known as the Nixon Doctrine. This doctrine stated that the United States would no longer provide direct military protection in Asia. Even though the Vietnam War was not yet concluded, Nixon promised Americans that there would be no more Vietnams for the United States.

A New Policy Toward China

Nixon also adopted a new foreign policy towards China. The United States had not had diplomatic relations with the People's Republic since the 1949 Communist revolution.

PRESIDENTIAL VISIT In 1971, Nixon stunned Americans by announcing that he had accepted an invitation to visit China. On February 21, 1972, Nixon arrived in China. National Security Adviser Henry Kissinger accompanied the President on his peace mission.

OPENING THE DOOR After more than 20 years of hostility, Nixon and Chinese leaders Mao Zedong and Premier Zhou Enlai agreed to open the door to normal diplomatic relations. Nixon's visit cleared the way for economic and cultural exchanges. American manufacturers, for example, now had a new market for their products. By following a policy toward China that was separate from the Soviet Union, Nixon underscored the splits that had occurred within communism.

A New Policy Toward the Soviet Union

Nixon balanced his openness with China by looking for ways to ease tensions with the Soviet Union, China's communist rival.

DÉTENTE Nixon and Kissinger shaped a policy called *détente*. The

TURNING POINT

Why is President Nixon's visit to China considered a turning point in U.S. foreign policy?

KEY THEMES AND CONCEPTS

Foreign Policy

As secretary of state, Henry Kissinger favored the political philosophy of *Realpolitik*. In your own words, how would you define *Realpolitik*?

ANALYZING DOCUMENTS

Based on the graphic organizer at right and your knowledge of social studies, would you characterize Nixon as a conservative or a liberal President? Provide two reasons to justify your answer.

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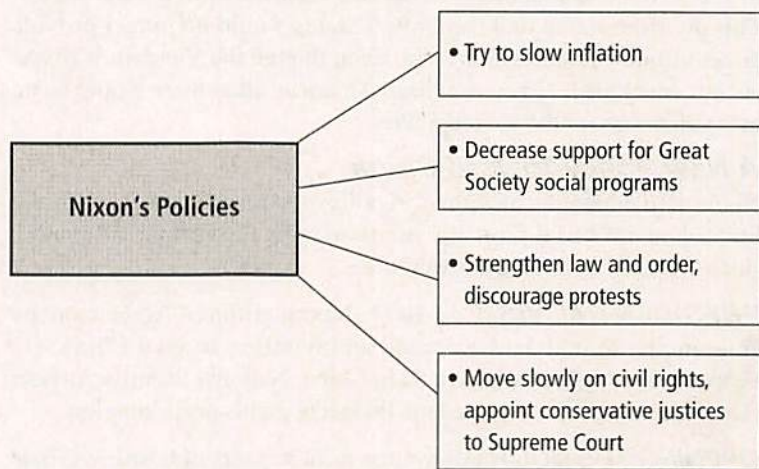
goal of détente was to bring about a warming in the cold war. In contrast to President Truman's policy of containment, President Nixon's policy of détente was designed to prevent open conflict.

During the Nixon administration, the foreign policy of the United States was shaped by *Realpolitik*, a political philosophy favored by Kissinger. The meaning of *Realpolitik* is power politics. Therefore, in its dealings with China and the Soviet Union, the United States made its decisions based on what it needed to maintain its own strength—regardless of world opinion.

Nixon underscored his willingness to pursue détente by visiting the Soviet Union in May 1972. He was the first President since World War II to make such a journey.

SALT While in Moscow, Nixon opened what became known as the Strategic Arms Limitations Talks (SALT). These talks led to a 1972 agreement called the SALT Agreement. The agreement set limits on the number of defensive missile sites and strategic offensive missiles each nation would keep.

Nixon's Domestic Policies



NIXON'S DOMESTIC POLICIES

Nixon was mainly interested in foreign affairs. He knew that he faced a Congress controlled by a Democratic majority. Because of the system of checks and balances, Nixon realized that it would be almost impossible to push Republican policies through Congress. Therefore, he limited his domestic policy goals.

Nixon's Domestic Initiatives

In 1970, the Occupational Safety and Health Administration (OSHA) was created to ensure safe and healthful working conditions for all

working Americans. OSHA assists states in providing research, information, education, and training in the field of occupational safety and health.

The Environmental Protection Agency (EPA), established in 1970, coordinated federal programs to combat pollution and protect the environment.

The Clean Air Act of 1970 was a major comprehensive federal law addressing topics related to air pollution. It was amended in 1977 to set new goals since many parts of the country did not meet the standards set by the 1970 act, it was amended again in 1990 to address problems such as acid rain, ground level ozone, stratospheric ozone depletion, and air toxins.

On July 12, 1973, President Nixon united several existing federal drug agencies into the Drug Enforcement Administration (DEA), which enforced federal drug laws and conducted investigations of illegal drugs overseas.

In 1974, the Energy Reorganization Act created the Nuclear Regulatory Commission to regulate the nuclear power industry and the Energy Research and Development Administration to manage the nuclear weapon, nuclear reactor, and energy development programs of the federal government. In 1977, under President Carter, the Department of Energy was established. Today, the department ensures energy security and safety.

New Federalism

Like Eisenhower, Nixon wanted to reduce the role of the federal government and turn over more activities to the states. Nixon called this policy the New Federalism. He criticized Johnson's Great Society as too costly and tried to reduce involvement of the federal government in social welfare programs. To achieve this goal, Nixon instituted revenue sharing, a policy in which the federal government gave part of its income to the states to spend on social welfare as they saw fit.

Curbing Inflation

The Vietnam War had helped trigger inflation, which was one of Nixon's biggest domestic problems. During the 1968 election, Nixon had promised to end inflation and balance the budget. By the time he took office, prices were rising faster than they had in 20 years. Unemployment was rising too. At the same time, the nation's gross national product (GNP) was declining. To bring the economy under control, Nixon implemented a 90-day wage-price freeze in August 1971. He was the first President to impose mandatory wage-price controls in peacetime.

Nixon, Civil Rights, and the Supreme Court

Each President hopes to influence the decisions of the Supreme Court through the appointment of justices. However, the appointees do not



PREPARING FOR THE EXAM

- What did Nixon intend to accomplish with his policy of New Federalism?
- To what previous presidential policy was he reacting?

KEY THEMES AND CONCEPTS

Constitutional Principles

- Did these landmark Supreme Court cases provide more protection for individual rights or less protection?
- What effects did *Gideon v. Wainwright*, *Escobedo v. Illinois*, and *Miranda v. Arizona* have on people who were accused of a crime?

KEY THEMES AND CONCEPTS

Science and Technology

Why was it significant that an American was the first person to set foot on the moon?

KEY THEMES AND CONCEPTS

Change

- How did passage of the 26th Amendment affect the number of voters in the United States?
- Would you say that this amendment made the United States more democratic or less democratic?

always rule as a President might expect. For example, President Eisenhower regretted his appointment of Earl Warren to the Supreme Court, because Warren made many liberal decisions that opposed Eisenhower's conservative political views.

NIXON APPOINTEES In 1969, Warren retired, and Nixon appointed Warren Burger as chief justice. During his administration, Nixon also had the opportunity to appoint three other justices. Nixon's appointees were all strict constructionists, believing that Congress and the President have only those powers specifically given to them by the Constitution. The "Nixon Court," however, did not overturn many of the liberal rulings of the 1960s, as Nixon had expected.

OTHER DOMESTIC EVENTS UNDER NIXON

Advances in the space program, an increase in the electorate, and additional rights movements occurred in the 1970s.

The Space Program

In 1969, American astronaut Neil Armstrong became the first person to walk on the moon. The triumph of seeing Armstrong plant a United States flag on the moon's surface marked a bright spot in an otherwise troubled decade.

The Twenty-sixth Amendment

In 1971, the Twenty-sixth Amendment to the Constitution was ratified. This amendment extended the vote to people ages 18 and older. By lowering the voting age from 21 to 18, this amendment added almost 12 million new voters to the American electorate.

Women's Rights Movement

In the 1970s, more and more women enrolled in schools of law, medicine, engineering, and business, fields that had been traditionally reserved for men. However, full-time working women in 1971 were paid only 59 percent as much as men. Many of them also did not hold positions equal to their talents. As you read in Section 2, the Equal Rights Amendment failed to win ratification.

Consumer Rights Movement

A strong consumer rights movement also developed in the early 1970s to address abuses by major American industries. The movement was led by Ralph Nader, a young Washington lawyer who organized a protest in the 1960s against the automotive industry. Nader attracted a number of young volunteers, known as “Nader’s Raiders,” to his cause. They championed environmental and consumer protection.

THE WATERGATE AFFAIR

In 1972, the Republicans nominated Nixon for reelection. The Democrats selected George McGovern. Nixon claimed credit for bringing down inflation and scoring foreign policy triumphs abroad. He swept to victory, carrying the largest popular majority in United States history. Yet less than two years later, Nixon resigned from office.

- **What happened** An illegal break-in to wiretap phones in the Democratic Party headquarters with electronic surveillance equipment
- **Where** Watergate Towers, an apartment complex in Washington, D.C.
- **When** June 17, 1972
- **Who** The Committee to Reelect the President, acting with the knowledge of several high-level Nixon advisers
- **Why** To secure information to undermine the Democratic campaign against Nixon

The Cover-Up

Police captured the “burglars,” who carried evidence linking them to the White House. Nixon did not know about the plan until after it happened. However, he then ordered a cover-up, which was a crime under federal law.

THE INVESTIGATION Reporters from the *Washington Post* probed into the case, now known as the **Watergate affair**, but their reports did not hinder Nixon’s reelection. Then in 1973, the Senate set up a committee to look into “illegal, improper, or unethical activities” in the 1972 election. For more than a year, the Senate committee came closer and closer to implicating the President.

KEY THEMES AND CONCEPTS

Reform Movements

The consumer rights movement of the 1960s, led by Ralph Nader, achieved important reforms, such as improved safety features in U.S.-built automobiles.

- What earlier movement in American history championed the cause of improving products available to the American people?

READING STRATEGY

Reinforcing Main Ideas

The Watergate affair was a serious scandal that brought down a President.

- What was the reason behind the Watergate break-in?
- What was Nixon’s role?
- How did Nixon’s involvement in the Watergate affair lead to his resignation?
- How did the Watergate affair prove that the system of checks and balances works?

RESIGNATION OF AGNEW While the Watergate hearings were under way, the Justice Department charged Vice President Spiro Agnew with income tax evasion. Agnew resigned, and Nixon appointed Gerald R. Ford, the minority leader in the House of Representatives, as Vice President.

THE TAPES In mid-1973, the Senate committee learned that the White House had kept tape recordings of key conversations between Nixon and his top aides. Nixon refused to turn over the tapes. During the summer, the committee opened the hearings to television. The televised proceedings had the appeal of a soap opera as millions of Americans watched.

NIXON RESIGNATION The situation ended when the Supreme Court ordered Nixon to surrender the tapes in its ruling in *United States v. Richard Nixon*. Based on evidence in the tapes, the House Judiciary Committee began voting on articles of impeachment against the President. To avoid impeachment, Nixon resigned on August 9, 1974, becoming the first President to do so. On noon of that day, Gerald Ford took the oath of office.

Gerald Ford became the first nonelected President. To fill the office of Vice President, Ford named Nelson Rockefeller, the former governor of New York. From 1974 until 1977, the United States had both a President and Vice President who had not been elected to their offices but had been appointed. Such a situation had not occurred before and has not occurred since.

Significance of Watergate

Although Nixon was never charged with any specific crimes, President Ford pardoned him. Ford hoped to end what he called “our long national nightmare.” Many of Nixon’s advisers, however, were found guilty of crimes and sentenced to prison. The incident showed, as Ford put it, that “the Constitution works.” The system of checks and balances had stopped Nixon from placing the presidency above the law.

TURNING POINT

Why is the Watergate affair considered a turning point in U.S. history?

THE FORD ADMINISTRATION

Many people called Nixon's administration the "Imperial Presidency" because of his disregard of the Constitution. Ford tried to rebuild the image of the President. However, the Watergate affair had disillusioned many Americans.

Ford's Domestic Policies

From the start, Ford faced a number of domestic problems.

- **Nixon's Pardon** Many Americans questioned Ford's decision to pardon Nixon when so many of his advisers stood trial, were convicted, and were jailed.
- **Amnesty Plan** Ford stirred bitter debate when he offered amnesty to thousands of young men who avoided military service in Vietnam by violating draft laws, fleeing the country, or deserting the military.
- **Inflation** In 1973, the Organization of Petroleum Exporting Countries (OPEC) placed an oil embargo on the United States for its support of Israel. The price of oil and gasoline more than doubled, setting off a new round of inflation. Temporary rationing of gasoline and federal incentives to research energy alternatives helped ease shortages. Even so, Americans remained highly dependent on foreign oil. Inflation topped 10 percent, and the nation entered into its worst recession since World War II.

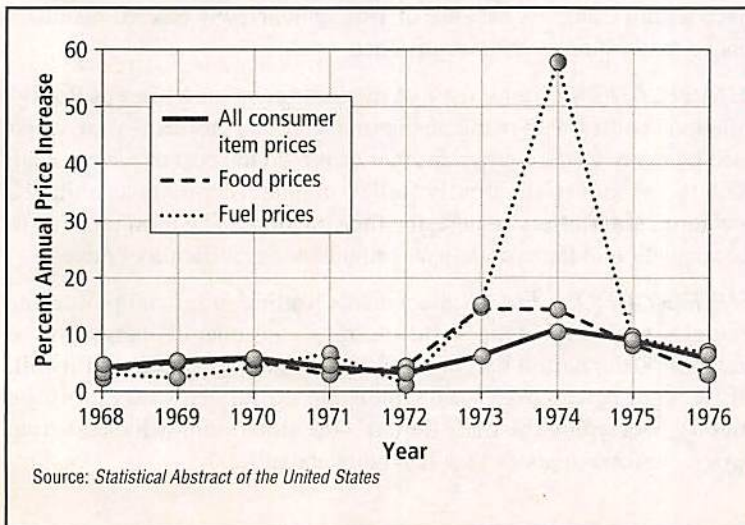
KEY THEMES AND CONCEPTS

Presidential Decisions and Actions

Following a Senate investigation into the Watergate affair, President Nixon resigned on August 9, 1974. Vice President Gerald Ford became the first non-elected President in U.S. history. Although President Nixon was never charged with any crime, President Ford issued a pardon to him.

- Why do you think President Ford pardoned President Nixon?

Rate of Inflation, 1968–1976



ANALYZING DOCUMENTS

Based on the chart at left and your knowledge of social studies, answer the following questions.

- What happened to fuel prices in 1973 and 1974?
- What caused the change in fuel prices in those years?
- How might the change in fuel prices and in all consumer item prices be related?

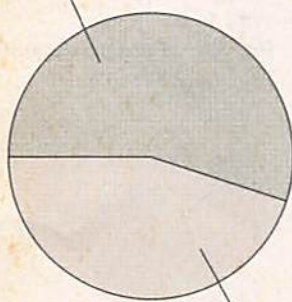
Ford's Foreign Policies

Henry Kissinger continued working with the Ford administration. Kissinger helped

- negotiate a cease-fire agreement between Egypt and Israel, thus ending the 1973 Yom Kippur War and OPEC oil embargo
- continue the policy of détente with the Soviet Union, including the sale of tons of grain to the Soviets and a hookup of Soviet and American space capsules
- oversee the end of the Vietnam War, including the withdrawal of the last American personnel from Saigon in 1975

Election of 1976

Democrat Jimmy Carter
55% of electoral vote



Republican Gerald R. Ford
45% of electoral vote

The Election of 1976

The nation's bicentennial (200th anniversary) in 1976 gave the Ford presidency a boost. However, it was not enough to help Ford completely shake off his negative association with the Nixon years. He lost a close election to the Democratic candidate, James (Jimmy) Earl Carter, former governor of Georgia.

THE CARTER ADMINISTRATION

Jimmy Carter won the 1976 election, in part, because of his appeal to the American sense of honesty and integrity. He stated a desire to return to basic American "down home" values. He wanted to prove that an "outsider" could make government more responsive to the people. However, Carter's unfamiliarity with Washington politics proved a disadvantage. First Lady Rosalynn Carter became his most trusted adviser.

Carter's Domestic Policies

Carter's presidency was made more difficult by changes that had taken place within Congress because of Watergate. Newly elected members tended to question every executive act.

"STAGFLATION" Carter ran into the same economic woes as Ford—inflation coupled with rising unemployment. The problems were worsened by many welfare programs that increased the cost of government. With the economy apparently stalled in place, economists coined a new term, **stagflation**, to describe the situation. (The term referred to the stagnation of the economy and simultaneous inflation of prices.)

ENERGY PROBLEM As the world's leading industrial power, the United States was also the world's leading consumer of energy. By the late 1970s, the nation had to import more than 40 percent of its oil. OPEC kept prices high, and American dollars flowed out of the country, worsening the trade deficit—the situation in which a nation buys more foreign goods than it exports abroad.

KEY THEMES AND CONCEPTS

Presidential Decisions and Actions

As you know from your study of United States history, all events are influenced by decisions, actions, and outcomes of earlier times.

- How was Carter's presidency influenced by the shadow of Nixon's presidency?

CORPORATE BAILOUTS Some American corporations were hard hit by stagflation and the decline in purchasing power at home. Foreign imports undersold some American goods, especially automobiles. The Chrysler Corporation and Lockheed Aircraft faced possible bankruptcy. Fearing the effect of massive layoffs on the economy, the federal government authorized huge loans to both corporations to keep them in business.

ENVIRONMENTAL PROBLEMS Acid rain, created by toxic air pollution, continued to threaten forests, lakes, and wildlife in the United States. President Nixon had taken steps to end harmful industrial pollution by creating the Environmental Protection Agency. Carter supported environmental programs as well, but inflation and energy shortages prevented him from undertaking ambitious programs to protect the environment. Coal polluted the air, but the nation needed coal to offset oil shortages. The nation needed to clean up the air, but emission devices for cars and factories pushed up prices.

NUCLEAR ENERGY Carter supported nuclear energy as an alternative to coal and oil. However, in 1979, an accident occurred at the Three Mile Island nuclear plant near Harrisburg, Pennsylvania. Although the problem was brought under control, the incident highlighted the hazards of the nuclear power industry, which by the late 1970s supplied about 4 percent of the nation's energy.

Carter's Foreign Policy

During his presidency, Carter faced a number of foreign-policy challenges.

HELSINKI ACCORDS In 1975, the United States and other nations signed the Helsinki Accords, promising to respect basic human rights. Carter believed that the United States should withhold aid from nations that violated human rights.

CAMP DAVID ACCORDS In 1977, Egyptian President Anwar el-Sadat surprised the world by visiting Israeli Prime Minister Menachem Begin. President Carter seized the opportunity for bringing peace to the Middle East by inviting the two leaders to Camp David, the President's retreat in Maryland. There, Sadat and Begin hammered out the terms for a peace treaty known as the **Camp David Accords**. The two leaders signed the treaty in 1979. Other Arab nations, however, still refused to recognize Israel.

PANAMA CANAL TREATIES In 1977, President Carter signed two treaties promising to turn over control of the Panama Canal to Panama in 1999. The treaties aroused bitter debate, but the Senate narrowly ratified them in 1978.

KEY THEMES AND CONCEPTS

Environment

In the 1970s, the United States faced a number of environmental problems.

- What steps did Nixon and Carter take to resolve some of these problems?
- Do any of these problems persist today? If so, which ones?

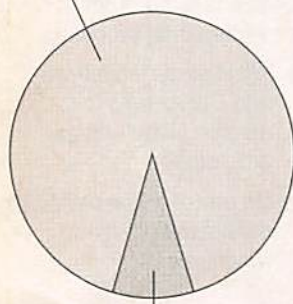


PREPARING FOR THE EXAM

What reasons led the American people to elect Ronald Reagan as President in 1980?

Election of 1980

Republican Ronald Reagan
91% of electoral vote



Democrat Jimmy Carter
9% of electoral vote

KEY THEMES AND CONCEPTS

Presidential Decisions and Actions

President Reagan supported the policy of New Federalism that had been begun by President Nixon. New Federalism turned over government control of some social programs to the states. As part of New Federalism, Reagan also supported tax cuts for businesses, a balanced federal budget, and increased spending for national defense.

- Why do you think President Reagan supported New Federalism?

PROBLEMS WITH DÉTENTE In June 1979, Carter met with Soviet leader Leonid Brezhnev to negotiate the SALT II Treaty. However, a Soviet invasion of Afghanistan later that year ended détente. Carter cut off grain shipments to the Soviet Union and boycotted the 1980 summer Olympic games held in Moscow. Carter's tough line spurred debate at home.

HOSTAGE CRISIS The biggest foreign policy crisis for Carter came in Iran. In 1979, a revolution led by Islamic fundamentalists toppled the pro-American shah, Reza Pahlavi. The shah, suffering from terminal cancer, requested treatment in the United States, and Carter agreed. Islamic rebels struck back by seizing the United States embassy in Tehran and holding more than 50 Americans hostage.

The 1980 Election

During the 1980 presidential campaign, Carter was haunted by the continuing hostage crisis, persistent energy shortages, and lingering inflation. The conservative Republican candidate, former California governor Ronald Reagan, promised Americans a “new beginning” and a restoration of confidence at home and abroad. Reagan swept to victory, and on the day of his inauguration, Iran released the hostages after more than a year of captivity.

REAGAN AND THE CHALLENGES OF THE 1980s

A former actor, Reagan appealed to many Americans with his references to the “good old days” and his patriotic speeches. He used his prepared speeches to promote a conservative approach to government and the economy. He targeted inflation as his top priority and argued that big government was the cause of inflation. “In the present crisis,” said Reagan, “government is not the solution to our problem; government is the problem.”

Reagan's First-Term Domestic Policies

During his first term in office, Reagan supported a domestic program backed by both Eisenhower and Nixon. Like his Republican predecessors, he supported New Federalism, a policy that turned over federal control of some social welfare programs to the states.

SUPPLY-SIDE ECONOMICS Reagan called for cuts in taxes on businesses and individuals, especially those with large incomes. Reagan believed that they would reinvest in more businesses. These businesses would hire more workers and increase the supply of goods and services. Reagan argued that **supply-side economics** would end inflation without increasing the national debt. His ideas later became known as Reaganomics.

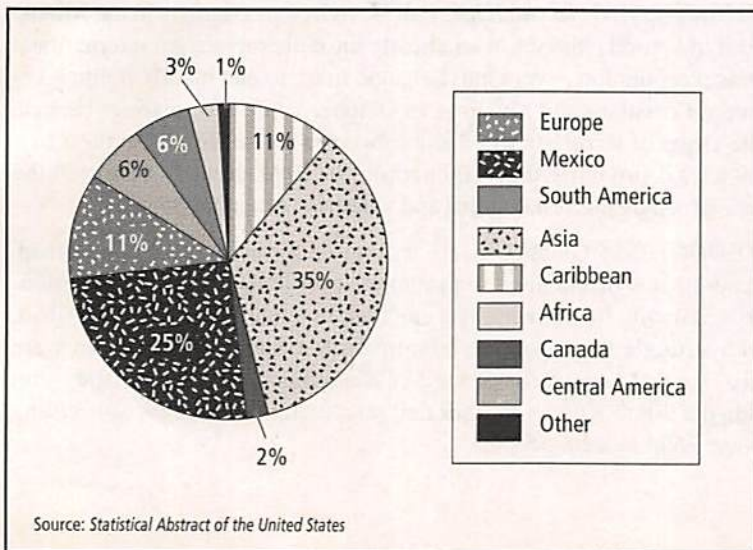
BALANCED BUDGET Reagan tried to balance the budget by reducing many social welfare programs. He also made sharp cuts in the Environmental Protection Agency. Despite such efforts, however, the national debt climbed throughout Reagan's presidency.

"STAR WARS" Reagan felt national security rested on defense and made every effort to fight off cuts in the military budget. He pushed for increased spending on missiles, ships, and bombers. He also asked for funding for the Strategic Defense Initiative (SDI), a massive satellite shield designed to intercept and destroy incoming Soviet missiles. SDI became popularly known as "Star Wars."

FARM AID In the 1980s, farmers experienced their worst economic problems since the Great Depression. A worldwide recession made it impossible for farmers to sell their surpluses—and to repay their loans. The Reagan administration responded by paying farmers not to plant millions of acres of land to reduce the supply and raise prices. However, prices did not rise, and the national debt grew.

IMMIGRATION In an effort to cut down on the number of undocumented workers living in the United States, Congress passed the 1986 Immigration Reform and Control Act, which forbade employers from hiring illegal immigrants. This new legislation did not solve the problem of the thousands of people who enter the United States illegally every year. These immigrants often work in sweatshop type factories, live in substandard housing, and are paid very low wages.

Origin of Immigrants, 1982–1995



ANALYZING DOCUMENTS

Use the graph at left and your knowledge of social studies to answer the following questions.

- From 1982 to 1995, where did the largest group of immigrants to the United States come from?
- How is this different than the origin of most immigrants in the 19th century?

Reagan's First-Term Foreign Policy

Reagan adopted a tough stand toward communism, describing the Soviet Union as an “evil empire.”

QUESTIONING DÉTENTE Reagan’s attitude hardened toward communism in December 1981, when the Polish government cracked down on Solidarity, an independent labor party. Reagan called for economic sanctions to force the communist-backed government to end martial law. A renewal of détente did not take place until Reagan’s second term.

INTERVENTION IN CENTRAL AMERICA Reagan believed that unstable economic conditions opened the door to communism. He asked for aid to Latin American groups fighting communist takeovers and approved limited military intervention in some nations.

- **El Salvador** Reagan sent arms and military advisers to El Salvador to back anticommunist forces in a civil war. He also pressured the government to hold democratic elections.
- **Nicaragua** In 1979, Marxist guerrillas called the Sandinistas overthrew anticommunist dictator Anastasio Somoza. Because the Sandinistas accepted aid from Cuba and the Soviet Union, Reagan approved aid to the contras, rebels seeking to oust the Sandinistas. Actions by the CIA to help the contras angered Congress, and it cut off aid to the contras in 1987.
- **Grenada** In October, 1983, a rebellion in the Caribbean island nation of Grenada raised fears that it might become a communist base in the Caribbean. To prevent such a possibility, Reagan ordered a surprise United States invasion.

TURMOIL IN THE MIDDLE EAST Religious conflicts in the Middle East increased tensions in an already unstable region. An international peacekeeping force went into Lebanon to try to end bloody fighting between Christians and Muslims. In October 1983, U.S. marines became the target of terrorists when a bomb-laden truck drove into their barracks, killing more than 300 people. In 1984, Reagan admitted the peacekeeping effort had failed and withdrew American troops.

TERRORISM Global concern was raised by an increase in terrorism, random acts of violence to promote a political cause. In some countries, Islamic fundamentalists engaged in terrorism as part of a jihad, or a struggle to protect the Islamic faith. Charges of terrorism were also leveled against the Soviets in September, 1983, when they shot down a South Korean airliner that strayed into their air space, killing some 269 innocent people.

READING STRATEGY

Analyzing Cause And Effect

What factors contributed to United States military interventions in El Salvador, Nicaragua, and Grenada?



PREPARING FOR THE EXAM

Terrorism is random acts of violence that promote a political cause. Terrorist acts raised global concern during the 1980s.

- Why do you think terrorists bombed an American marine barracks in Lebanon in 1983?
- What effect did this bombing have on Reagan’s policy in Lebanon?

The Election of 1984

In the presidential election of 1984, Walter Mondale won the Democratic nomination over several contenders including Jesse Jackson, an influential African American minister. Mondale selected Representative Geraldine Ferraro as his running mate. Reagan campaigned for reelection, with George Bush as his running mate. Reagan won the election and became the first President since Eisenhower to serve two full terms in office.

Reagan's Second-Term Domestic Policy

Reagan, nicknamed the Great Communicator by some journalists, used his charm and persuasive talents to convince many Americans to support a plan aimed at creating a balanced budget by the early 1990s.

Reagan and his supporters promised to make deep cuts in federal programs. Only a few select programs, such as Social Security and defense, were to be spared. Reagan also called for simplification of tax laws and tax cuts for about 60 percent of Americans. Some people charged that the cuts favored the rich. In fact, by the late 1980s, wealth was more unevenly distributed than at any time since the end of World War II.

TRADE IMBALANCE Despite drastic actions by the federal government, the national debt climbed. This was due, in part, to a huge trade imbalance, a situation in which a nation imports more goods than it exports. At the start of Reagan's second term, the trade deficit approached \$150 billion.

Reagan's Second-Term Foreign Policy

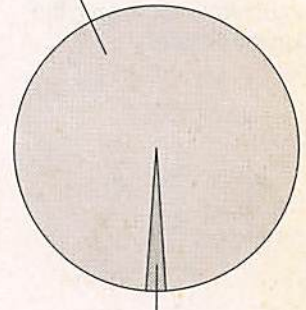
Reagan redirected his foreign policy to meet changes taking place in the Soviet Union. However, an issue that arose out of the United States dealings in the Middle East and Latin America took up much of his attention.

THE IRAN-CONTRA AFFAIR In 1986, the American public learned that several top presidential aides had sold weapons to Iran in exchange for Iranian help in freeing American hostages held in Lebanon. The money from the sale of arms was then channeled to Nicaragua to support the contras.

Reagan had vowed never to bargain with terrorists or kidnappers. Also, Congress had banned aid to the contras. A congressional committee cleared the President of any wrongdoing in the Iran-Contra affair and concluded that the actions had been illegally undertaken at the direction of Colonel Oliver North and members of the CIA.

Election of 1984

Republican Ronald Reagan
98% of electoral vote



Democrat Walter Mondale
2% of electoral vote

**PREPARING FOR THE EXAM**

How did Soviet leader Mikhail Gorbachev work to improve relations with the United States?

RENEWAL OF DÉTENTE In 1985, Mikhail Gorbachev became the new charismatic leader of the Soviet Union. Gorbachev criticized Reagan's policy of "Star Wars" and called for a renewal of détente.

Gorbachev helped further relations by announcing his new policies of *glasnost* and *perestroika*. Glasnost called for greater openness, including increased political freedom in the Soviet Union and Eastern Europe. Perestroika allowed a measure of free enterprise to improve economic conditions within the Soviet Union.

ARMS REDUCTIONS In 1987, the United States and Soviet Union reached an agreement to eliminate short-range and medium-range land-based missiles.

TROUBLES ELSEWHERE Troubles over other foreign policy issues were not so easily resolved. These included

- **Continuing terrorism** Terrorists continued to claim some American lives. In 1985, for example, Palestinian terrorists killed an American passenger aboard the Italian cruise ship, the *Achille Lauro*. In 1988, a bomb destroyed a Pan Am jet over Scotland.
- **Battling the drug trade** First Lady Nancy Reagan launched an antidrug campaign with the slogan, "Just say no!"
- **Ending apartheid** Many people demanded that Americans divest, or get rid of, investments in South Africa to protest that nation's policy of apartheid, or strict racial segregation and discrimination. In 1986, Congress overrode Reagan's veto and imposed strict economic sanctions against South Africa until it ended apartheid.

KEY THEMES AND CONCEPTS**Economic Systems**

How did Americans protest South Africa's policy of apartheid?

The 1988 Election

In 1988, George Bush won the Republican nomination for President. He surprised the nation by choosing a little-known Indiana senator, Dan Quayle, as his running mate. Within the Democratic party, a primary battle shaped up between Jesse Jackson and Michael Dukakis, son of a Greek immigrant and governor of Massachusetts. Dukakis eventually won the nomination and selected Texas Senator Lloyd Bentsen as his running mate. In November, voters chose Bush to be the next President.

THE GEORGE H. W. BUSH ADMINISTRATION

The biggest issues of the Bush years were the budget, events abroad, and the economy.

Domestic Events

Bush inherited several of Reagan's problems from the late 1980s.

ECONOMIC TROUBLES During the election campaign, Bush had promised voters no new taxes. However, as the budget deficit mounted,

Bush was forced to break this promise in 1990. By 1992, an economic recession caused increased layoffs and rising unemployment.

SAVINGS AND LOAN SCANDAL In 1990, the misuse of funds by savings and loan institutions surfaced. American taxpayers would pay hundreds of billions of dollars to bail out the savings and loan industry.

SUPREME COURT APPOINTMENTS President Bush appointed two new justices to the Supreme Court: David Souter in 1990 and Clarence Thomas in 1991. Thomas was confirmed by the Senate after very controversial hearings in which he was charged with sexual harassment by Anita Hill, a former employee.

URBAN VIOLENCE In 1992, riots erupted in parts of Los Angeles after four white Los Angeles police officers were found innocent in the beating of African American motorist Rodney King.

Events Abroad

During Bush's presidency, the Cold War came to an end, but the United States entered military conflicts in Panama and the Persian Gulf.

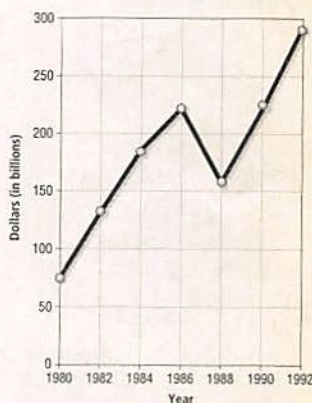
END OF THE COLD WAR In November 1989, the world watched in amazement as Germans tore down the Berlin Wall—a symbolic reminder of the division between the communist and democratic worlds. Throughout the winter of 1989, communist governments in Eastern Europe crumbled. In 1990, Gorbachev received the Nobel Peace Prize for relaxing control over former Soviet satellites. In October of that year, East and West Germany were formally reunited. A failed coup by hard-line communist leaders in 1991 led to the dissolution of the Soviet Union and the 1992 formation of a Commonwealth of Independent States.

ANALYZING DOCUMENTS

Use the graph below to answer these questions.

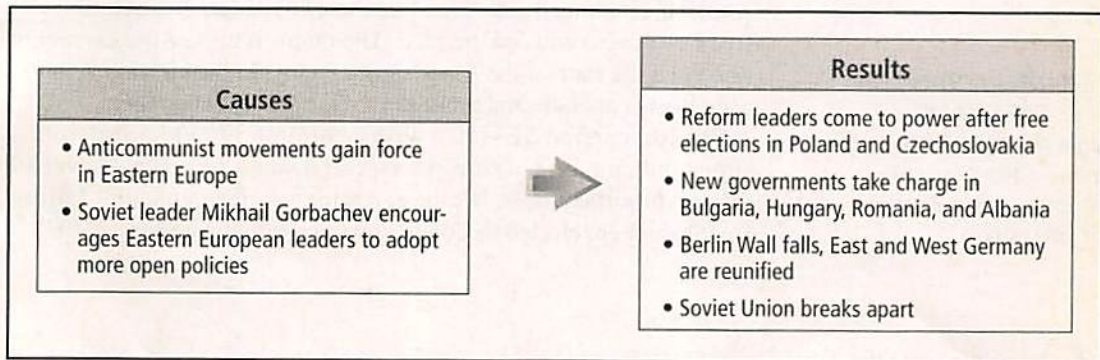
- How much did the federal budget deficit increase during the Bush administration?
- Did the greatest deficit occur during Reagan's or Bush's presidency?

Federal Budget Deficit, 1980–1992



Source: Statistical Abstract of the United States

The End of the Cold War



TURNING POINT

Why is the end of the Cold War in 1989 considered a turning point in history?

INVASION OF PANAMA As President, Bush continued Reagan's war on drugs. He ordered United States troops into Panama to capture General Manuel Noriega, the dictator of Panama, and return him to the United States to face drug charges. In 1992, Noriega was sentenced to serve 40 years in federal prison.

PERSIAN GULF WAR In August 1990, Iraqi leader Saddam Hussein invaded the oil-rich nation of Kuwait. Bush responded by sending United States troops into Saudi Arabia, with the agreement of Saudi leaders. The United Nations condemned Iraq's actions and approved economic sanctions against Iraq. The UN also authorized a joint military buildup in Saudi Arabia, called Operation Desert Shield.

Operation Desert Shield became Operation Desert Storm in January 1991 when the United States with a troop force of over 500,000 (the largest American military commitment since Vietnam) and Allied troops from a number of other nations began a total air assault on Iraq. By the end of February, Bush ordered a cease-fire, and Iraq accepted all UN demands to end the **Persian Gulf War**. More than 300 Allied lives were lost, but the Iraqi death toll was estimated at 100,000.

BOSNIA AND THE BALKANS The end of the Bush administration was marked by the outbreak of violence in the Balkans. In 1991, Slovenia and Croatia declared their independence from Yugoslavia, and fighting broke out throughout the area. Millions became refugees during the fighting. Bosnian Serbs, led by Slobodan Milosevic, carried out ethnic cleansing, or genocidal warfare, killing thousands of innocent civilians.

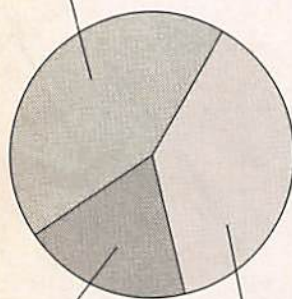
The 1992 Election

In the 1992 presidential election, George Bush ran as the Republican candidate with Dan Quayle as his running mate. The Democrats selected Arkansas governor Bill Clinton as their candidate, with Al Gore as his running mate. An independent challenger, Texas billionaire Ross Perot, also entered the race. The major issues of the campaign concerned the state of the American economy. In the election, Clinton made Bosnia an issue and promised to take strong action there.

Clinton carried 32 states with a total of 370 electoral votes. Although Perot did not earn any electoral votes, he received over 19 million popular votes. Women, African Americans, and Latino Americans were elected to Congress in record high numbers in 1992.

Election of 1992

Democrat Bill Clinton
43% of popular vote



Independent
Ross Perot
19% of
popular vote

Republican
George Bush
38% of
popular vote



PREPARING FOR THE EXAM

Was Bill Clinton's victory in the 1992 Presidential election decisive? Why or why not?

THE APPROACH TO THE NEW MILLENNIUM

THE CLINTON ADMINISTRATION

Domestic Issues

HEALTH-CARE REFORM In 1993, Clinton presented to Congress a health-care reform plan that would ensure health insurance for all Americans. Critics of the plan complained it was too expensive, complex and would limit choice in health care. In 1994, Congress rejected Clinton's plan.

SOCIAL SECURITY It became clear that the Social Security program, begun during the Great Depression, would run into trouble because of changing demographics. The number of recipients is increasing rapidly due to longer life spans and the aging baby boomer generation. Several plans to fund Social Security have been considered, but no plan has been agreed upon.

SUPREME COURT APPOINTEES Clinton's nominations of Ruth Bader Ginsburg and Stephen Breyer made him the first Democratic President in 26 years to name a Supreme Court justice.

THE 1994 CONGRESSIONAL ELECTIONS In 1994, Republicans took majority control of Congress for the first time in 40 years.

THE 1996 AND 1998 ELECTIONS At the end of 1995, disagreements between Republicans and Clinton over the budget led to a shut-down of the federal government. During the 1996 presidential campaign, Clinton focused public attention on the Republicans' role in the shut-down. He also adopted several Republican issues by signing welfare reform into law and supporting a balanced budget. Clinton easily won re-election. Republicans maintained their congressional majority after both elections, but Democrats gained five House seats in 1998.

SCANDAL AND IMPEACHMENT Many of President Clinton's activities were the subject of investigations, including the Whitewater affair, which accused him and his wife Hillary Rodham Clinton of involvement with an illegal real estate scheme in Arkansas. The Clintons were never formally charged.

In 1998, a special prosecutor accused President Clinton of several offenses, including lying under oath about his relationship with a White House intern. On December 19, 1998, the House impeached President Clinton on charges of perjury and obstruction of justice. The Senate acquitted the President two months later.

KEY THEMES AND CONCEPTS

Government

How did the 1994 Congressional elections shift the balance of power in Congress?

ANALYZING DOCUMENTS

Examine the cartoon below, then answer the questions.

- What does the book represent?
- What does the black spot stand for?
- What is the meaning of the title of the cartoon?
- What is the opinion that this cartoon is trying to convey?

WALT DISNEY
STUDIO

LEGACY



KEY THEMES AND CONCEPTS

Presidential Decisions and Actions

In the early 1990s, war erupted in the Balkans as the former Yugoslavia fell into a bitter civil war.

- How did President Clinton handle tensions between ethnic groups in the former Yugoslavia in the 1990s?
- What gave Clinton the authority to take this action?

KEY THEMES AND CONCEPTS

Economic Systems

By the 1990s, the economies of many nations had become more interdependent.

- Name two organizations or agreements designed to improve trade among member nations.
- To which of these does the United States belong?

ECONOMIC PROSPERITY In the 1990s, the United States enjoyed the longest period of economic growth in its history.

Foreign Issues

Developments in other nations also presented challenges.

THE MIDDLE EAST The Arab-Israeli conflict has long focused attention on the Middle East. Since 1948, Arabs and Israelis have waged four wars. In 1993, the Palestine Liberation Organization and Israel agreed to a measure of Palestinian self-government. However, incidents of violence slowed the peace process.

THE FORMER YUGOSLAVIA Tensions between ethnic groups in the former Yugoslavia led to war in Bosnia in the early 1990s. The United States helped win an agreement between the two sides in 1995 and President Clinton sent troops to enforce the plan. In 1998, violence erupted in Kosovo, where Serbian forces massacred ethnic Albanian civilians. A brief bombing campaign by NATO forced the Serbs to withdraw. Many Serbian leaders then were arrested for war crimes and put on trial.

NATO EXPANSION In March 1999, NATO welcomed the Czech Republic, Hungary, and Poland as new members.

SOUTH AFRICA In 1994, Nelson Mandela, the long-time leader of the campaign against apartheid, became his nation's first democratically elected president.

GLOBAL ECONOMY In 1992, the United States, Canada, and Mexico signed the North American Free Trade Agreement (NAFTA) in an effort to break down trade barriers among the three nations. American trade in Europe continued to be strong, despite the formation of the **European Union**, a trade organization designed to break down trade barriers within Europe.

THE 2000 ELECTION

In the 2000 presidential election, Texas Governor George W. Bush ran as the Republican candidate against the Democrat, Vice President Al Gore. In one of the closest presidential races in history, Florida emerged as the key state. The Florida vote was so close, a recount of ballots was ordered by law. The election ended when the Supreme Court ruled to discontinue the recounts. Although Gore won the popular vote, Bush won the electoral vote. The election marked the first time the Supreme Court intervened in a presidential election.

THE GEORGE W. BUSH (43) ADMINISTRATION

Early in his presidency, Bush focused on a few central issues:

Domestic Issues

CUTTING TAXES Bush gained congressional approval of a tax cut. Most taxpayers received rebates of \$300, which Bush argued would jumpstart the faltering economy. 2004 has experienced minor spurts of economic growth and continuing higher than normal rates of unemployment.

EDUCATIONAL REFORM On January 8, 2002 President Bush signed into law a major educational reform bill called No Child Left Behind. The plan called for increased student and teacher accountability and targets funds for improving schools. Critics have said that it does not accomplish what it needs to do to improve American education.

SOCIAL SECURITY President Bush has decided to make Social Security Reform a primary agenda for himself and his administration while his opponents claim that the System can be adjusted in more minor ways, with less financial risk. The President's plan to allow younger workers to choose private accounts for a portion of their Social Security system has drawn wide praise and equally strong criticism.

ELECTION 2004 In November 2004, George W. Bush, the Republican incumbent won a very close race against challenger, Massachusetts Senator and Vietnam War veteran, John Kerry. The popular vote was Bush, 62,040,606 (51%) to Kerry's 59,028,109 (48%). The state of Ohio ultimately gave the President the needed Electoral votes to win, 286 to 252.

Vice President Dick Cheney continued for a second term. Dr. Condoleezza Rice, former National Security Advisor, became the first African American woman to hold the position of Secretary of State. Within the first few months of being appointed Secretary of State Rice made important trips to Europe, the Middle East and parts of Asia.

Foreign Issues

SEPTEMBER 11, 2001 AND RESULTING EVENTS Bush focused largely on foreign policy after the September 11, 2001 attacks on the World Trade Center in New York City and the Pentagon in Washington, D.C. Bush called the attacks "acts of war" and committed

the country to a campaign against terrorists. American forces attacked military sites and terrorists training camps in Afghanistan. Bush urged Americans not to "expect one battle but a lengthy campaign unlike any other we have ever seen."

THE MIDDLE EAST Problems between the Israelis and Palestinians continue with repeated incidents of suicide bombers and cross border attacks by both sides. Attempts have been made by the United States to develop compromise solutions but episodes of violence delay peace keeping efforts.

In November 2004, Yasir Arafat the leader of the Palestine Liberation Organization and recipient of the Nobel Peace Prize died at 75 after an almost 50 year struggle to gain a permanent homeland for the Palestinian people.

KEY THEMES AND CONCEPTS

Presidential Decisions and Actions

How have President Bush's actions during the War in Iraq demonstrated his use of Presidential power?

WAR IN IRAQ In late 2002 and early 2003, the Bush Administration warned Saddam Hussein to eliminate Iraq's weapons of mass destruction (WMD). Hussein claimed not to have any WMD. The United Nations sent an inspection team, which reported little success finding these weapons. The United States worked to gain United Nations support for an invasion of Iraq. Failing to gain this support, a small number of countries led by the United States and Great Britain attacked Iraq in March 2003. More than 200,000 American troops were sent to the area. For the first time the United States military allowed reporters to be "embedded" with the troops. Bush declared an official end to the war on May 1, 2003.

In July 2003 both sons of Saddam Hussein were killed in a shootout by U.S. forces in Mosul, Iraq. Hussein himself continued to escape capture until December 2003. An Iraqi Governing Council was established during 2003 with the goal of allowing Iraq to be an independent, democratic nation when the United States military completes its transfer of political powers. American casualties continue to rise as the military meets with pockets of resistance. President Bush has defended the War on the grounds that a brutal dictator has been removed, that Hussein had terrorist links and that he was hiding Weapons of Mass Destruction. Given the rising human and financial costs to the United States and the failure to find WMD, critics have questioned the Bush Administration's activities in Iraq and its long term plan for that country.

During 2004 President Bush and Secretary of Defense Donald Rumsfeld had to answer serious questions about the treatment of Iraqi prisoners when reports of abuse by American troops was disclosed. Some of the responsible soldiers have been found guilty and sentenced to prison terms themselves. In January 2005 with American and

Coalition Forces support the new Iraqi government held its first democratic elections under extremely tight security. Insurgents who oppose the new government and the American presence in Iraq continue to cause violent attacks on both military and civilians in Baghdad and elsewhere. By the spring of 2005, over 140,000 American troops continued to serve in Iraq with a goal of training Iraqis soldiers to eventually be able to replace the Americans. Over 1500 American servicemen and women have been killed in Iraq and thousands more have been seriously wounded.

OTHER WORLD AREAS The Bush Administration remained concerned with North Korea's development and possible use of nuclear power, but has been careful not to aggravate what could become an increasingly volatile area of the world. The President also made his first trips to Europe and Africa in 2003 to promote the United States as a caring member of the world community.