

# Conservatives Reshape Politics

## MAIN IDEA

The country became more conservative, leading to Republican political victories.

## WHY IT MATTERS NOW

In response, the Democratic Party became less liberal and even adopted some conservative ideas.

## TERMS & NAMES

Ronald Reagan  
supply-side economics  
Iran-Contra affair  
George H. W. Bush  
Persian Gulf War  
Bill Clinton  
NAFTA  
George W. Bush

## ONE AMERICAN'S STORY

Restaurant owner Mike Savic knew the mood in his working-class Chicago neighborhood. In the fall of 1980, most of his customers were frightened. Unemployment and inflation were rising. Most of Savic's neighbors had supported Carter in 1976, but now they turned to Carter's Republican opponent, former California governor **Ronald Reagan**.

Text is not available for use on this CD-ROM. Please refer to the text in the textbook.

In 1980, millions of Democrats voted for Reagan in the hope that he could fix the economy. With their help, Reagan won the election. This section covers the presidencies of Reagan and his successors.



This campaign button is from the 1980 debate between Jimmy Carter and Ronald Reagan.

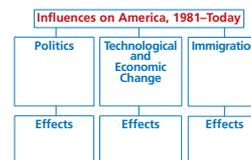
## Reagan's Conservative Goals

President Reagan was a conservative. In his 1981 inaugural address, he declared, "Government is not the solution to our problem. . . . It is time to check the growth of government." Reagan pursued the following conservative goals.

- 1. Lower Taxes.** Reagan preached **supply-side economics**. This theory held that if taxes were lower, people would save more money. Banks could loan that money to businesses, which could invest in ways to improve productivity. The supply of goods would increase, driving down prices. At Reagan's urging, Congress lowered income taxes by 25 percent over three years.
- 2. Deregulation.** The president deregulated, or eased restrictions on, many industries. Reagan believed that business would grow more rapidly if government interfered with it less.

### Taking Notes

Use your chart to take notes about politics in the 1980s.



## AMERICA'S HISTORY MAKERS



### RONALD REAGAN

1911–

One reason for Ronald Reagan's popularity was his unflinching optimism at a time when many Americans felt uncertain. Not even an assassination attempt could dampen his spirits.

In 1981, a gunman shot the president. When Reagan's wife, Nancy, arrived at the hospital, Reagan told her, "Honey, I forgot to duck."

In addition, he remarked to the doctors who were about to operate on him, "I hope you're all Republicans."

**Why might it be important for a leader to convey a sense of optimism and high spirits?**

**3. Fewer Government Programs.** Reagan fought to end or weaken many government programs, from affirmative action to environmental regulations.

**4. A Conservative Supreme Court.** Reagan named three conservative judges to the Supreme Court. One of them, Sandra Day O'Connor, was the first woman to sit on the nation's highest court.

At first, inflation rose, and unemployment stayed high. But by 1983, inflation decreased, and more people found jobs. Business boomed. Even so, Reagan's policies created a problem. Because of the tax cut, the federal government took in less money and had to resort to deficit spending. As a result, the national debt doubled from 1981 to 1986.

## A Tough Anti-Communist Stand

Reagan opposed communism. To compete militarily with the Soviet Union, he began the most expensive arms buildup in history. It cost more than \$2 trillion.

In 1985, Mikhail Gorbachev became the leader of the Soviet Union. He and Reagan met four times to discuss improving U.S.-Soviet relations and easing the threat of nuclear war. They signed the Intermediate-Range Nuclear Forces (INF) Treaty in 1987. Under that treaty, the two countries agreed to destroy all of their medium-range missiles.

The Reagan administration also decided to support the anti-Communist side in several conflicts, including two

Central American civil wars. In El Salvador, the United States backed the government against Communist-led rebels. In Nicaragua, the United States provided aid to anti-Communist rebels known as Contras.

This aid resulted in a scandal, known as the **Iran-Contra affair**. In 1986, Americans learned that the U.S. government had sold weapons to Iran in return for help in freeing American hostages in the Middle East. The money from these sales went to the Contras. This action violated a law that barred the U.S. government from funding the rebels. President Reagan claimed he never knew about the deal. But investigators concluded that he should have kept track of what his administration was doing.

## Bush and a Changing World

Despite the scandal, Reagan and his administration remained popular. In 1988, Reagan's vice-president, **George H. W. Bush**, ran for president and won. During his presidency, dramatic foreign events took place.

In 1989, several Eastern European countries ended Communist rule. This angered old-time Communists in the Soviet Union. In August 1991, a group of them tried to take over the Soviet government. Boris Yeltsin, a Russian reform leader, fought the takeover attempt and won.

### Vocabulary

**deficit spending:** using borrowed money to fund government programs

### ReadingHistory

**A. Analyzing Causes** Why did investigators hold Reagan responsible for the Iran-Contra affair?

Unlike Gorbachev, who wanted to reform communism, Yeltsin and others wanted to get rid of it. One by one, the republics that made up the Soviet Union declared their independence from it. In December 1991, Yeltsin and the leaders of these nations joined in a loose alliance called the Commonwealth of Independent States (CIS). The Soviet Union, once a superpower, was gone. Its breakup marked the end of the Cold War.

A crisis also erupted in the Middle East. In August 1990, Iraq invaded its neighbor Kuwait—a major supplier of oil. The United States, led by Bush, and the United Nations (UN) organized a group of 39 nations to free Kuwait by fighting the **Persian Gulf War**. In mid-January 1991, UN forces began bombing Iraqi military targets. A month later, UN ground forces moved into Kuwait and drove the Iraqis out of that country.

The war's success boosted George Bush's popularity, and he seemed certain to win reelection in 1992. Then the economy stalled. By the spring of 1992, the U.S. unemployment rate had climbed to around 7 percent—a six-year high. Americans began to think that Bush was good at foreign policy but ineffective with problems at home. In November, they elected his Democratic opponent, Arkansas governor **Bill Clinton**.

## Clinton's Fights with Congress

One of President Clinton's first acts was to try to reform the health-care system. Clinton asked his wife, Hillary Rodham Clinton, to design a health-care plan. Opponents criticized the plan as costing too much, and Congress chose not to vote on it. But it did pass a law allowing workers to keep their insurance when they change jobs.

Clinton did win passage of the North American Free Trade Agreement (NAFTA) in 1993. NAFTA lifted tariffs in an effort to increase trade among Mexico, Canada, and the United States.

In 1994, Republicans won control of both houses of Congress. Clinton and the new Congress could not agree on a budget for 1995 and government agencies shut down twice in late 1995. Finally, Clinton and Congress reached a compromise on the budget.

The two sides did work together to pass a welfare reform bill, a long time conservative goal. The bill ended a guarantee of aid to needy families. It also cut the length of time people could receive benefits.

In 1996, Clinton was reelected. But his second term in office was marked by scandal. Clinton was investigated for a land deal he took part in during the 1970s. During that investigation, information emerged that Clinton had had an improper relationship with a White House intern. And he allegedly had lied about it under oath.

### ReadingHistory

#### B. Summarizing

What were two major world events that happened during George H. W. Bush's presidency?

### Background

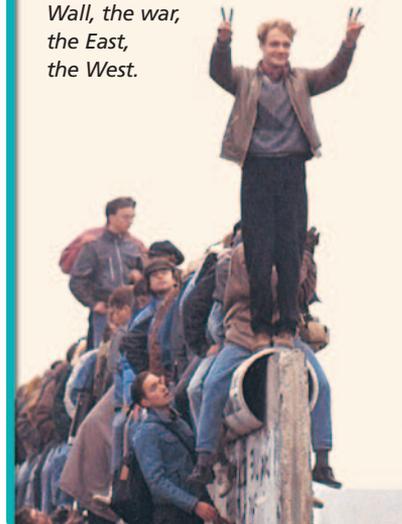
Most developed countries have nationalized health insurance, a government program that pays for the health care of most citizens. The United States does not.

## Connections TO WORLD HISTORY

### THE BERLIN WALL FALLS

Communists built the Berlin Wall in 1961 to separate Communist East Berlin from West Berlin. In November 1989, as communism began to fall, East Germans tore down the wall. The photograph below shows Germans celebrating the opening of the wall. Andreas Ramos witnessed the event.

*The final slab was moved away. A stream of East Germans began to pour through. . . . Looking around, I saw an indescribable joy in people's faces. It was the end of the government telling people what not to do, it was the end of the Wall, the war, the East, the West.*





When the charges became public in January 1998, Clinton denied them. Later, he admitted to the relationship but denied lying under oath. In December 1998, the House of Representatives impeached President Clinton. In general, Republicans voted for impeachment while Democrats voted against it. In spite of the charges, Clinton remained popular. In January 1999, the Senate held its trial of President Clinton and acquitted him. Clinton remained in office to finish his second term.

## War in Kosovo

Despite his troubles at home, Clinton still had to act as a world leader. In 1999, he led a group of nations dealing with a crisis in Yugoslavia. The European country of Yugoslavia was created after World War I. Yugoslavia contained many ethnic and religious groups. Often, these groups fought with one another.

The Yugoslav republic of Serbia has a region called Kosovo (KAW-suh-VOH) inhabited mostly by people of Albanian descent. The Kosovars sought independence, but the Serbs opposed them. A vicious war broke out over Kosovo. The Serbian government tried to drive the Albanians out of Kosovo by using violence and murder.

In March 1999, the North Atlantic Treaty Organization (NATO) began bombing Serbia. In June 1999, the Serbs withdrew from Kosovo. After the troops pulled out, UN peacekeepers moved in. The United Nations has run Kosovo since then. In February 2003, Yugoslavia became a federation called Serbia and Montenegro. In 2006, both republics will vote on independence.

## The 2000 Presidential Campaign

In 2000, the nation turned its attention to a presidential election as Clinton finished his second term. The Democrats nominated Vice-President Al Gore as their candidate. The Republicans chose Texas governor George W. Bush, the son of the former president. Other candidates included Ralph Nader of the Green Party and Pat Buchanan of the Reform Party. It was clear, however, that Bush and Gore were the leaders in the race.

In the campaign, Gore emphasized his experience as vice-president. Bush attacked Gore's connection with Clinton's administration. On the issue of taxes, Bush proposed a large income tax cut, which he said would stimulate economic growth. Gore argued that Bush's plan would mainly benefit wealthy Americans. Gore called for a smaller tax cut aimed to help lower- and middle-class Americans.

### Background

Clinton was the second president to be impeached, or formally charged with wrongdoing. The first was Andrew Johnson. (See Chapter 18.)

### ReadingHistory

**C. Analyzing Causes** What caused the violence in Kosovo?

### ReadingHistory

**D. Drawing Conclusions** How was it helpful and harmful to Al Gore to be Clinton's vice-president?

## A Close Election

On Election Day, November 7, 2000, most people expected a very close race. The election ended up being one of the closest in U.S. history. As the day moved into night, it became clear that whichever candidate won Florida would win the presidency.

The next morning, Gore led the nationwide popular vote by more than 300,000 votes and also had a lead in electoral votes. But Bush led in Florida by a few hundred votes, which could still win the election for him.

The vote was so close in Florida that recounts were required. In addition, many Floridians claimed there were problems with the voting process. Some voters were confused by the way the names were listed on the ballots. They claimed this may have caused them to vote for the wrong candidate. In some cases, the voting machines did not work correctly.

The Gore campaign asked for manual, or hand, recounts of ballots in four Florida counties. The Bush campaign opposed manual recounts and sued to stop them. The legal battles reached the U.S. Supreme Court. On December 12, the Court voted five to four to stop the recounts. The majority argued that there was no way to be sure the votes would be recounted in exactly the same way in all counties. This situation, they said, would be unfair to some voters. With the recounts stopped, Florida's electoral votes, and the presidency, went to George W. Bush.

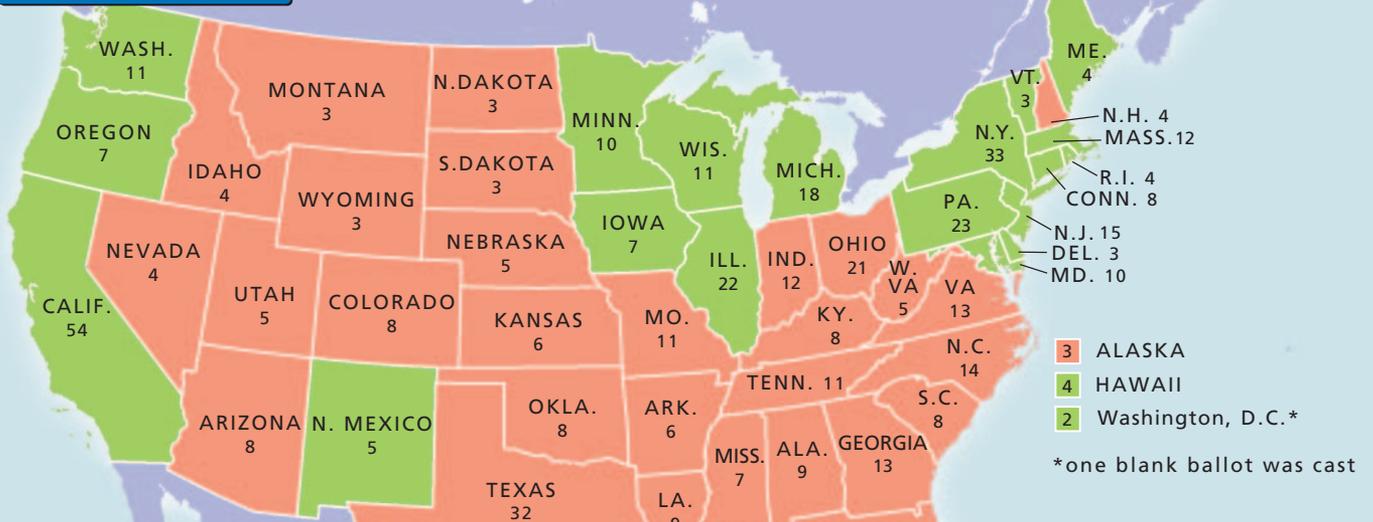
The 2000 election raised issues about how elections are conducted in the United States. For example, Gore won the popular vote but lost the election. This led to renewed efforts to abolish the Electoral College. Americans also looked to improve the ways votes are cast and counted.

### ReadingHistory

#### E. Analyzing

**Causes** Why did Bush win the presidency even though he had fewer popular votes than Gore?

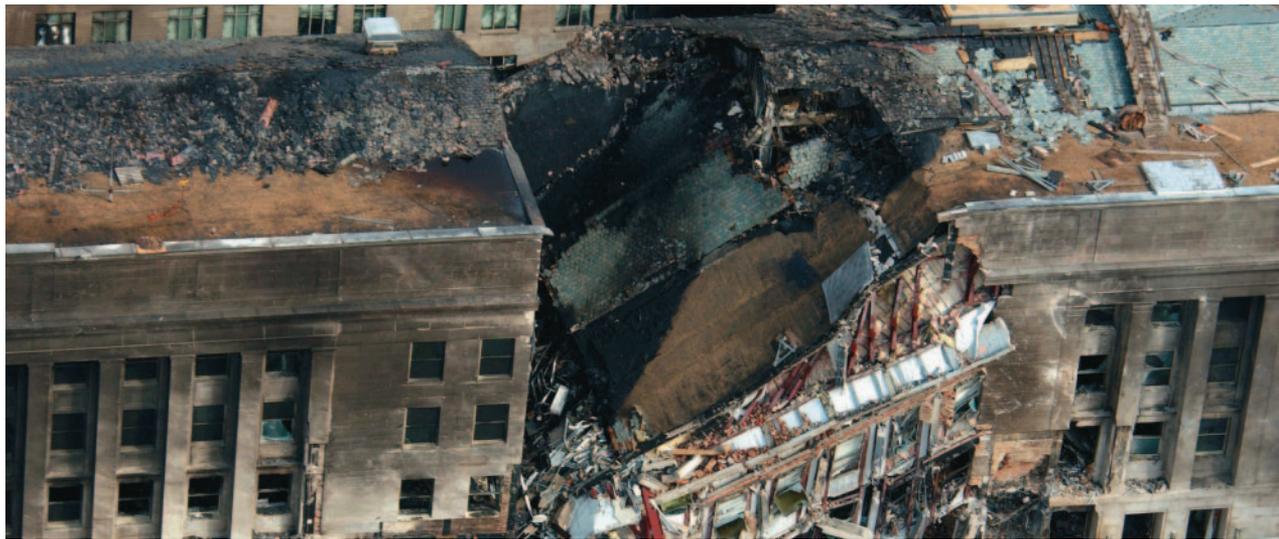
### Election of 2000



### GEOGRAPHY SKILLBUILDER Interpreting Maps

- Region** Which candidate won more states?
- Region** In which regions did each candidate have strong support?

Candidate (Party)	Electoral Vote	Popular Vote
Bush (Republican)	271	50,456,062
Gore (Democrat)	266	50,996,582
Nader (Green)	0	2,858,843



The Pentagon  
after the  
September 11  
attack

## Bush Fights Terrorism

Bush tried to put the controversial election behind him and to begin governing. On September 11, 2001, however, Bush and the world faced a new challenge. A series of terrorist attacks against the United States cost thousands of people their lives and dramatically changed the world. The Bush administration, now with the overwhelming support of Congress and the American people, shifted its energy and attention to combating terrorism. (For a special report, see pages 892–897.)

In October 2001, Bush signed an antiterrorism bill into law. The law allowed the government to detain foreigners suspected of terrorism for seven days without charging them with a crime. Bush also created the Department of Homeland Security, a government body to coordinate national efforts to combat terrorism. In addition, the federal government increased its involvement in aviation security.

The Bush Administration also began a war against terrorism. In October 2001, the United States led forces from different countries in an attack on Afghanistan. The Afghan government was harboring Osama bin Laden and his al-Qaeda terrorist network believed responsible for the September 11 attacks. In 2002, the coalition successfully broke up the al-Qaeda network in Afghanistan. Osama bin Laden, however, remained at large.

In 2003, Bush expanded the war on terrorism to Iraq. Following the Persian Gulf War, Iraq had agreed to UN demands to stop the production of biological, chemical, and nuclear weapons. The leader of Iraq was Saddam Hussein. Hussein refused to cooperate with UN arms inspectors during the 1990s and eventually stopped them from entering his country.

After the September 11 attacks, Bush feared that Hussein was supplying terrorists with weapons of mass destruction (WMD). Bush called for renewed arms inspections in Iraq. But Hussein refused to cooperate fully with the renewed inspections. The United States and Great Britain ended diplomacy with Iraq and ordered Hussein to leave the country.

Hussein refused to give up control. U.S. and British forces invaded Iraq in March 2003. Within a month, Iraq's military was defeated. Hussein went into hiding, but was captured by the end of the year. U.S. forces then began an intensive search for WMD in Iraq. However, no trace of chemical or biological weaponry had been found by late 2004.

## The Bush Presidency at Home

During his first months as president, Bush began to work on his domestic policies. He signed into law an education reform plan entitled No Child Left Behind. This plan called for more accountability by states for students' success, mandatory achievement testing, and more school options for parents.

Bush also wanted to improve a slowing economy. But corporate scandals further damaged the economy. In the 1990s, Enron had established itself as one of the most successful companies in the world. In October 2001, the Security Exchange Commission began investigating Enron's financial records. Several months later, the company was charged with using illegal accounting practices and was fined \$3 million. Enron's accounting firm, Arthur Andersen, was charged with obstruction of justice.

Political opinion remained deeply divided through Bush's first term. While Bush's antiterrorism policies initially gained wide support, many Americans began to question his handling of the invasion of Iraq.

In 2004, Massachusetts senator John Kerry challenged Bush. After both sides waged one of the most expensive campaigns in history, Bush was able to win a majority of the popular vote, but once again the electoral vote came down to one state. In Ohio, Bush held a lead of more than 130,000 votes, which would give him the state's 20 electoral votes and the presidency. After deciding that the uncounted absentee and paper ballots would not be enough to take the lead, Kerry conceded the race to Bush the day after the election.

In Bush's victory speech, he promised to revise the nation's tax code and reform Social Security in order to improve the economy. In the next section you will read more about the U.S. economy, including the impact of technology on it, at the start of the 21st century.

President George W. Bush campaigning for Republican candidates in 2002



### Section 1 Assessment

#### 1. Terms & Names

##### Explain the significance of:

- Ronald Reagan
- supply-side economics
- Iran-Contra affair
- George H. W. Bush
- Persian Gulf War
- Bill Clinton
- NAFTA
- George W. Bush

#### 2. Using Graphics

Use a chart like the one shown to record important details about the terms of three presidents.

Reagan	
Bush	
Clinton	

What do you think was the greatest achievement by any of these presidents?

#### 3. Main Ideas

- What were the positive and negative effects of Reagan's economic policies?
- Why did Clinton win the 1992 presidential election?
- Why did it take five weeks to decide the winner of the 2000 presidential election?

#### 4. Critical Thinking

##### Drawing Conclusions

What do you think was the stronger force shaping U.S. politics from 1981 to 2000—economics or foreign affairs?

##### THINK ABOUT

- Reagan's goals and actions
- the events of George H. W. Bush's presidency
- the events of Clinton's presidency

#### ACTIVITY OPTIONS

#### ART TECHNOLOGY

You have been asked to summarize the politics of the years 1981–2001. Create an **illustrated time line**, or plan part of a **multimedia presentation**.