

Chapter 58

U.S. Domestic Politics at the Turn of the 21st Century

To what extent did George H. W. Bush, Bill Clinton, and George W. Bush fulfill their domestic policy goals?

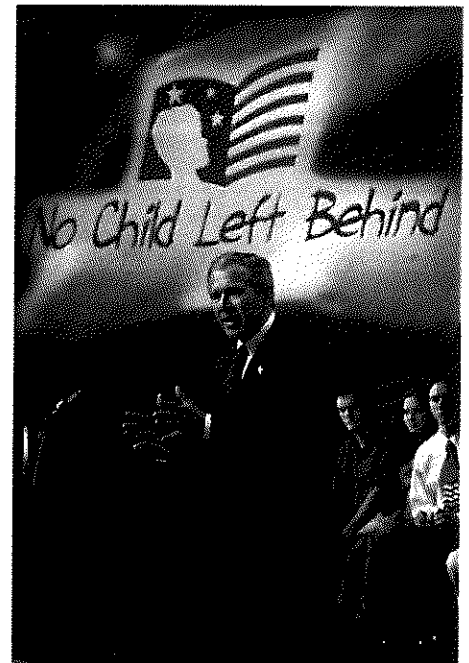
58.1 Introduction

Inauguration Day is an emotional time for presidents. This is true whether they are moving into or taking leave of the Oval Office. George H. W. Bush described his inauguration in 1989 as a “moment rich with promise.” After eight years serving as Ronald Reagan’s vice president, Bush was taking office as the nation’s chief executive. “We live in a peaceful, prosperous time,” Bush stated in his inaugural address, “but we can make it better.”

Four years later, Inauguration Day became a time of leave-taking for the Republican president. Bush had lost his bid for a second term. On January 20, 1993, he turned the Oval Office over to his Democratic opponent, William Jefferson Clinton. This transition marked more than a shift in power from one political party to the other. It also signaled a generational shift. Born in 1946, Bill Clinton was the first baby boomer to become president. At his inauguration, he spoke of the need for change: “Not change for change’s sake, but change to preserve America’s ideals—life, liberty, the pursuit of happiness.”

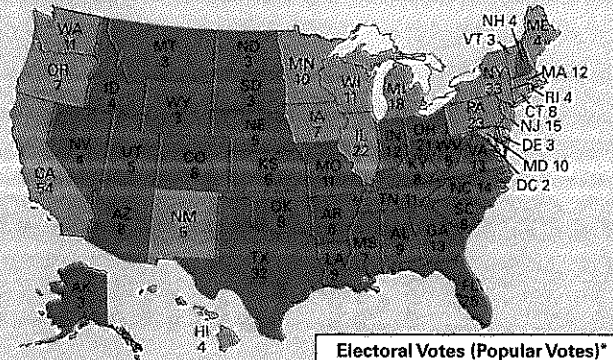
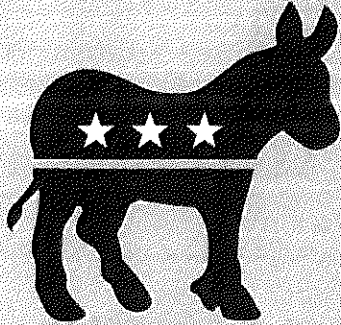
After two terms in office, it was Clinton’s turn to depart the Oval Office. On Inauguration Day 2001, he welcomed George W. Bush, son of George H. W. Bush, to the White House. It was the first time the son of a former president had stepped into the presidency since John Adams’s son, John Quincy Adams, took office in 1825. In his inaugural speech, the new President Bush pledged to “build a single nation of justice and opportunity.” He spoke of “confronting problems instead of passing them on to future generations.”

Like presidents before them, all three of these leaders came into office with goals they expected to achieve and promises they planned to keep. In a country deeply divided in its party loyalties, none of them would accomplish all that they had hoped. In this chapter, you will examine how well these three presidents—George H. W. Bush, Bill Clinton, and George W. Bush—met their domestic policy goals after entering the Oval Office.

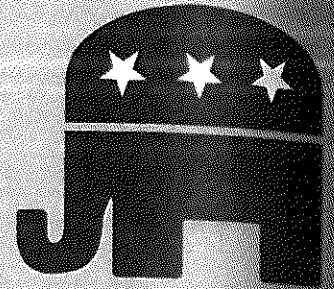


Three days after taking office, President George W. Bush announced his plan for education reform. Called No Child Left Behind, the act aimed to have all students meet certain proficiency standards by the year 2014.

Democrats



Republicans



The terms *red state* and *blue state* originated with the 2000 presidential election map. Red states are states in which the majority votes Republican. In blue states, the majority votes Democratic. Although the red states cover more territory, the blue states are usually more densely populated. The result was a very close election in 2000.

58.2 Parties and Politics at the Turn of the Century

At the turn of the 21st century, U.S. politics were taking a new shape. Many observers felt there had been a splintering of the nation into two camps. This was made most evident in the 2000 election. On election night that year, the major television networks all used the same two colors to shade their election maps. Red represented states in which a majority voted for Republican George W. Bush. Blue signified states that favored Democrat Al Gore. By evening's end, most states in the Midwest and Sunbelt were red. Most states on the West Coast and in the industrial Northeast were blue. There seemed to be two Americas—red and blue. However, a closer look at recent elections reveals a more complex picture.

Red America: "Compassionate Conservatives" The voters who made so many states red in 2000 supported a conservative agenda. They believed in reducing the size of government, lowering taxes, maintaining a strong military, and promoting traditional social values. This agenda appealed to many evangelical Christians and people living in small towns. It also attracted blue-collar workers, veterans, and businesspeople. These groups made up the Republican Party's **political base**, or core supporters.

In his 2000 campaign, George W. Bush tried to soften the antigovernment language of Reagan Republicans. He did so by promoting **compassionate conservatism**. This approach to governing centers on the belief that "everyone deserves a chance. . . everyone has value." As Bush later said, "The policies of our government must heed the universal call of all faiths to love a neighbor as we would want to be loved ourselves."

Blue America: Party Loyalists and "New Democrats" The voters in blue states in 2000 represented two groups of Democrats. The first group included those who had long been loyal to the party—liberals, African Americans, immigrants, and union members. These party loyalists had voted Democratic since Franklin Roosevelt forged his New Deal coalition during the Depression.

They were united by their faith in government's power to improve life for ordinary people.

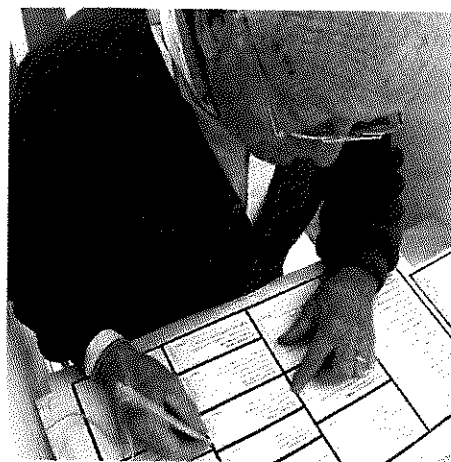
The second group of "blue" voters in 2000 included what party leaders called **New Democrats**. They were moderates who had been attracted to the party in the 1990s by Bill Clinton. As the leading New Democrat, Clinton had reached out to these voters with an "opportunity agenda." It embraced welfare reform, a balanced budget, expanded trade, and a tough stand on crime.

Neither Red Nor Blue: Independents and Third-Party Voters Not all voters in 2000 belonged to one of the two major political parties. About 35 percent of those who cast ballots that year defined themselves as independents. As a result, neither Democrats nor Republicans can claim that their party represents a majority of the **electorate**, or the officially qualified voters. To win elections, both parties must also appeal to independent voters.

This new political arithmetic drove Bill Clinton's decision to campaign as a New Democrat in 1992. It also helped motivate George W. Bush's call for a more "compassionate conservatism" in 2000. Even so, in both of those elections, millions of voters rejected the major party nominees. Instead, they cast their ballots for third-party presidential candidates.

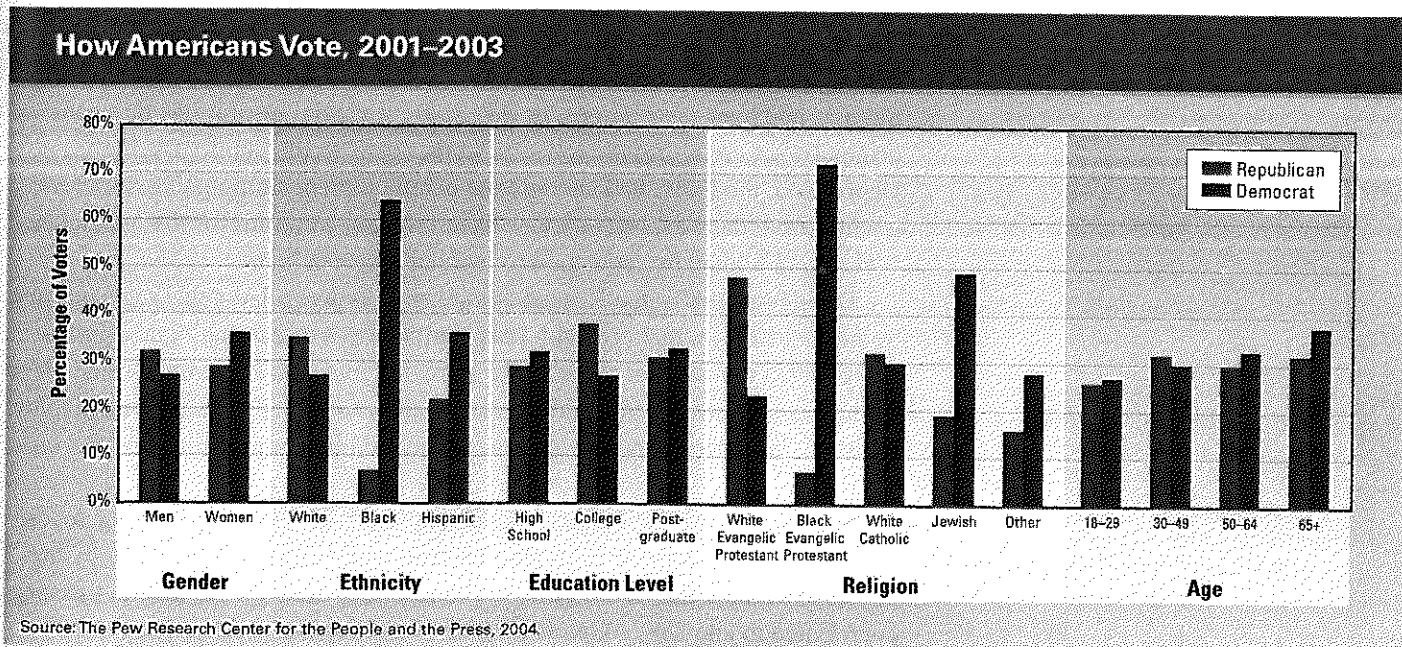
The most successful third-party candidate in recent elections was Texas billionaire Ross Perot. In 1992, Perot ran for president as an independent candidate. On election day, Perot received 19 percent of the votes cast. This was the best showing for a third-party candidate since Theodore Roosevelt ran for president as a Progressive in 1912.

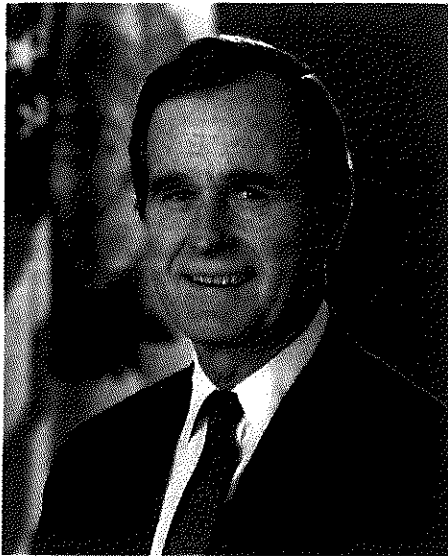
In 2000, consumer advocate Ralph Nader ran for president on the Green Party ticket. The roughly 2.9 million votes cast for Nader amounted to only 2.7 percent of the vote. But that election was so close that some Democrats accused Nader of acting as a "spoiler" whose candidacy cost Al Gore the White House.



In the 2000 elections, Vermont voters, like this man, marked their ballots in pencil. Other states used different voting methods, from punch cards to electronic voting machines.

The Republican and Democratic parties have always appealed to different groups of voters. As the 20th century ended, however, both parties struggled to adapt to a decrease in party loyalty and an increase in independent voters.





When George H. W. Bush became president in January 1989, he had already had a long career of public service. In World War II, he was the youngest fighter pilot in the Navy. He later represented Texas in the House of Representatives for two terms, served as ambassador to the United Nations, and was director of the Central Intelligence Agency.

58.3 George H. W. Bush: Continuing Reagan's Policies

The election of 1988 was a test of both old and new party loyalties. The Republican candidate, Vice President George H. W. Bush, promised to continue the Reagan Revolution. His campaign appealed to evangelicals and voters who had benefited most from Reaganomics. Bush's Democratic opponent, Massachusetts Governor Michael Dukakis, tried to rally the fraying Democratic coalition by focusing on weaknesses in the economy. Dukakis appealed to liberals and to poor and middle-class voters who had not shared in the Reagan recovery.

When the votes were tallied on election night, Bush was the clear winner. He captured 40 states and 53 percent of the popular vote. Most alarming to Democratic Party leaders, Bush had even won key industrial states, including Michigan and Ohio, which had long been Democratic strongholds.

Legislative Wins and Losses In his acceptance speech at the Republican National Convention, Bush had made a number of campaign promises. He had pledged to expand the economy by creating "30 in 8—Thirty million jobs in the next eight years." He had promised to hold the line on taxes. "Read my lips," he had declared, "no new taxes!" And he had talked of creating a "kinder, gentler nation." He made a pledge "to do whatever it takes to make sure the disabled are included in the mainstream," explaining that "for too long they've been left out. But they're not gonna be left out anymore."

Bush succeeded in carrying out this last campaign promise. In 1990, Congress passed the **Americans with Disabilities Act (ADA)**. This law banned discrimination in employment against people with disabilities. It also required employers to make "reasonable accommodation" to help disabled employees. This might mean building a ramp to enable a person in a wheelchair to enter a workplace. Or it could entail ordering special equipment to help workers with limited vision or hearing carry out their job responsibilities.

The president was less successful in carrying out his pledge to create 30 million new jobs. One reason for this was a financial mess, known as the **savings and loan crisis**, which he inherited from the Reagan administration. Savings and loan associations, or S&Ls, are financial institutions that were originally set up to provide low-cost home loans to the public. During the Depression, the FDIC had encouraged people to deposit money in S&Ls by guaranteeing their deposits up to a fixed amount. In return for this guarantee, S&Ls were limited by regulation to making low-risk loans.

During the 1980s, the Reagan administration deregulated the S&L industry. Some S&Ls began making risky loans in the hopes of earning higher profits. More than a thousand of these S&Ls stumbled into financial troubles and went bankrupt. A slowdown in lending and home sales resulted, hurting the economy. By 1990, the nation was moving into a recession, and unemployment was on the rise.

Bush worked with Congress to clean up the S&L mess by repaying depositors who had lost their savings. But the cost of their plan, borne partly by taxpayers, was more than \$150 billion. The resulting drain on the federal treasury contributed to another economic problem—soaring budget deficits.

In 1990, Bush sat down with leaders in Congress to forge a budget compromise that would reduce the deficit. Congress agreed to cut spending, but only after Bush agreed to raise taxes. This violation of Bush's "Read my lips" pledge upset his conservative backers. Journalist Tom Wicker later wrote,

[Bush] had broken one of the most ironclad political pledges ever made—offered . . . before a national television audience—a promise without which he might conceivably not have been able to win the presidential election. With that one action . . . the president of the United States brought into question both his personal reliability and his political judgment.

—Tom Wicker, *George Herbert Walker Bush*, 2004

Economic Problems and Social Tensions Increase Despite the budget compromise, the deficit and debt continued to rise. In late 1990, the economy entered a recession. Economic growth slowed, and unemployment shot up. Working-class Americans were hit especially hard.

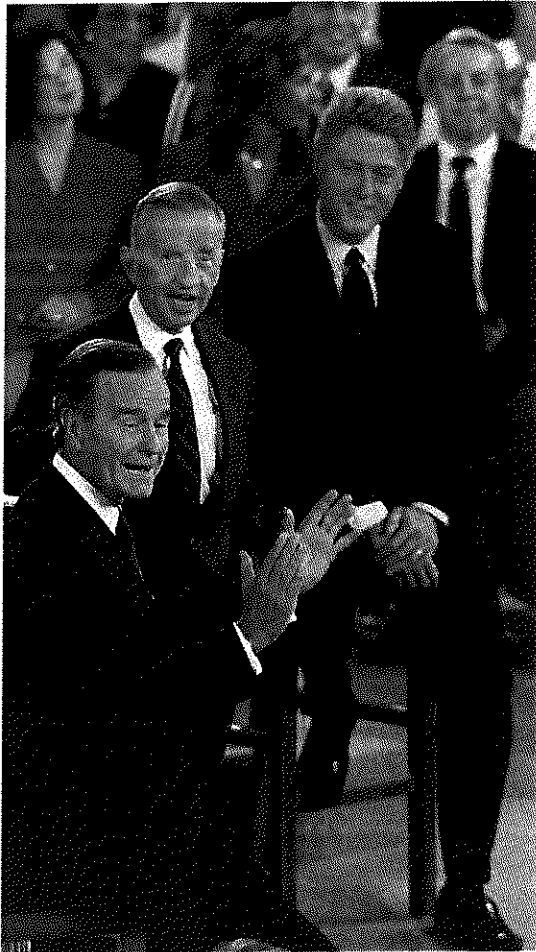
At the same time, social tensions were mounting, especially in urban areas. In April 1992, rioting broke out in a poor Los Angeles neighborhood after a jury acquitted four police officers in the videotaped beating of Rodney King, a black resident. The Rodney King riots, as they were called, soon spread across the city. They caused more than 50 deaths and millions of dollars in damages. Smaller riots also broke out in other U.S. cities. For many Americans, the riots were a sign of continued social and economic tensions in the country.



Repaying depositors in bankrupt savings and loans strained the federal budget and contributed to an economic slowdown that cost President Bush the 2002 election.

George H. W. Bush's Domestic Agenda

Issue	Goals	Progress and Setbacks
Civil Rights	Protect the rights of people with disabilities	Americans with Disabilities Act (1990) Banned discrimination in employment and public accommodations on the basis of a person's disability
Trade	Expand trade across U.S. borders	North American Free Trade Agreement (NAFTA) Would reduce trade barriers with Canada and Mexico (supported by Bush but did not go to the Senate before he left office)
Environment	Continue efforts to clean up the environment	Clean Air Act of 1990 Called for further reductions of emissions that cause air pollution and acid rain
Conservative Values	Protect the flag as a symbol of American ideals	Flag desecration constitutional amendment Would outlaw flag burning (passed by the House but failed to win the needed two-thirds approval of the Senate to go to the states for ratification)
	Create a more conservative Supreme Court	Supreme Court Appointed David Souter, a moderate, and Clarence Thomas, a conservative, to the Supreme Court



In 1992, Ross Perot became the first third-party candidate to participate in televised presidential debates. "Look at all three of us," Perot advised viewers. "Decide who you think will do the job, pick that person in November, because believe me, as I've said before, the party's over, and it's time for the cleanup crew."

58.4 Bill Clinton: A New Democrat in the White House

As Democrats approached the 1992 presidential election, they had to confront some unpleasant realities. The New Deal coalition was broken. The Reagan Revolution had moved the nation to the right. And George H. W. Bush, running for a second term, began the campaign with high approval ratings. To overcome these obstacles, the party needed an appealing candidate with a fresh message. It found both traits in the young, five-term governor of Arkansas, Bill Clinton.

The Election of 1992 Leaves Clinton Without a Mandate Clinton reached out to voters as a New Democrat who cared deeply about the struggles and concerns of ordinary Americans. When he accepted the Democratic nomination, he spoke of creating a new style of government, which he described as

a government that is leaner, not meaner; a government that expands opportunity, not bureaucracy; a government that understands that jobs must come from growth in a vibrant and vital system of free enterprise . . . We offer opportunity. We demand responsibility. We will build an American community again. The choice we offer is not conservative or liberal. In many ways, it is not even Republican or Democratic. It is different. It is new. And it will work.

Opportunity, responsibility, and community became the central themes of Clinton's campaign.

Two factors helped Clinton overcome Bush's early lead. The first was the recession that began in 1990. As the slump deepened, Bush's popularity sank. At Clinton headquarters, a sign reading "The Economy, Stupid," reminded staffers that promoting economic growth was the key to victory. The second factor was the third-party candidacy of Ross Perot. The Texas billionaire promised to restore prosperity by balancing the federal budget and paying off the national debt. His frank talk about the economy attracted voters who felt dissatisfied by the two main parties. The majority of Perot's supporters, however, were conservatives who otherwise might have voted for Bush.

On election day, Clinton won 32 of 50 states. But due to Perot's strong showing at the polls, Clinton received only 43 percent of the popular vote—the lowest percentage for a winning presidential candidate since 1912. As a result, Clinton would enter office lacking a strong electoral mandate.

Legislative Wins and Losses Clinton took office with a Democratic majority in both houses of Congress. With this support, he won several legislative victories, including passage of the Family and Medical Leave Act. This law allowed workers to take time off for family emergencies without risking their jobs. Other achievements are listed in the chart on page 763.

However, Clinton failed to deliver on a campaign promise to reform the nation's health insurance system. Since the end of World War II, most working Americans have received health insurance through their employers. The creation of Medicare and Medicaid in the 1960s provided health insurance to retirees and the poor. Even so, when Clinton took office in 1993, millions of Americans had no health insurance. For those lacking such coverage, a serious illness or accident could quickly become a financial disaster.

In October 1993, Clinton sent to Congress a plan for sweeping reform of the nation's health care system. Developed by a panel headed by First Lady Hillary Clinton, the plan would provide **universal health care**, or health care for all Americans. But the plan proved too complex for most people to comprehend. And health care providers opposed it, fearing increased government regulation. After much debate, Congress chose not to act on the plan. When Clinton left office in 2000, about 40 million Americans still lacked health insurance.

Republicans Take Control of Congress Between presidential elections, midterm elections take place to select members of Congress. As the 1994 **midterm elections** approached, Republicans aimed to gain control of Congress. Led by Georgia Representative Newt Gingrich, Republican candidates appealed to voters with a 10-point plan called the **Contract with America**. The contract promised that, if elected, Republicans would strive to balance the federal budget, combat crime, reform the welfare system, cut taxes, create jobs, and minimize lawsuits. The contract captured many voters' imaginations. When Congress met in 1995, Republicans had gained a majority in both the House and the Senate.

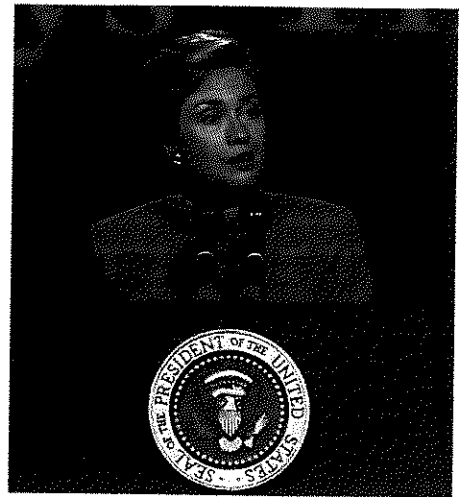
Flush with victory, House Republicans set out to balance the federal budget. They called for major cutbacks in government spending on education, welfare, and Medicare. Clinton rejected their plan, claiming the reductions were too steep. Both sides refused to alter their stances. Without a budget to authorize expenditures, the government prepared to close down in mid-November 1995. On the eve of the shutdown, Clinton met with Republican leaders. "I am not going to sign your budget," he told them. "It is wrong. It is wrong for the country."

The next day, the federal government came to a standstill. Most Americans blamed Congress for the shutdown. The government did not reopen until early 1996, after a budget that Clinton would accept was approved.

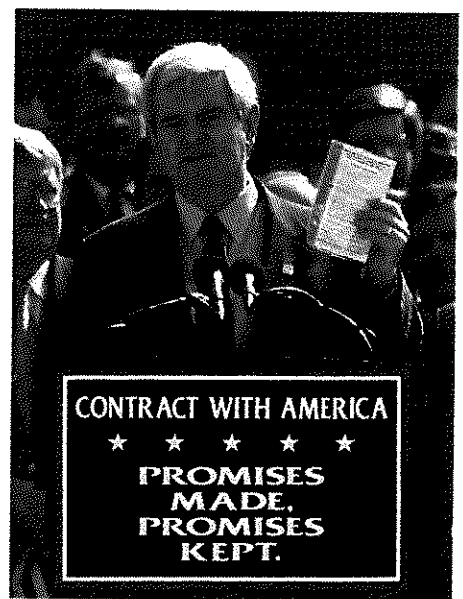
Reforming the Welfare System Republicans in Congress next turned to welfare reform. The U.S. welfare system included a federal program known as Aid to Families with Dependent Children (AFDC). Initiated during the Depression as part of the Social Security system, this program gave money to unemployed single mothers. By 1996, nearly 5 million women and 9 million children were receiving public assistance under AFDC.

Critics of the welfare system charged that instead of serving as a temporary safety net to help families through hard times, AFDC had created a culture of poverty that continued from one generation to the next. They pointed out that if welfare recipients married or found work, they would lose their welfare benefits. Such eligibility rules, they felt, discouraged mothers from making changes that might help them gain economic stability. The program's opponents also observed that children raised in homes with no working parent were more likely to need welfare as adults.

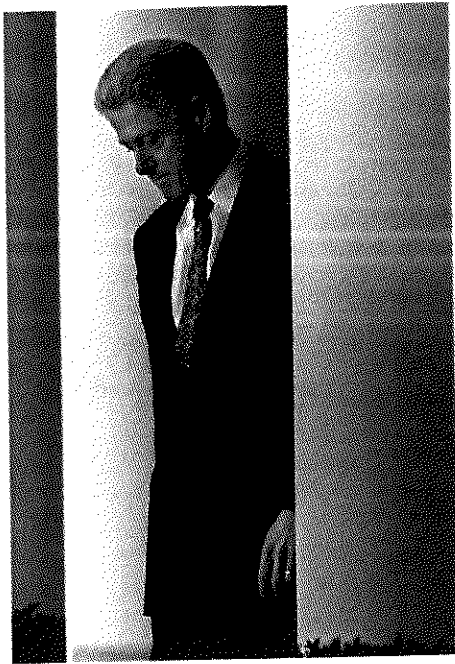
During his 1992 campaign, Clinton had pledged to "end welfare as we know it." Democrats took this to mean reforming AFDC. Instead, the Republican-controlled Congress abolished AFDC and created a new system, called **Temporary Assistance to Needy Families (TANF)**. TANF limited the amount of time a family could receive welfare payments to five years. Its goal was to get mothers off welfare and into the workforce as quickly as possible.



Bill Clinton appointed his wife, Hillary Rodham Clinton, to lead a committee charged with developing a plan for universal health care. The committee's proposal was widely criticized and died in Congress. In 2000, Hillary Clinton was elected to serve as a U.S. senator from New York.



Led by Georgia Representative Newt Gingrich, Republicans in 1994 offered voters a 10-point Contract with America. The result was the first Republican majority in the House of Representatives in 40 years.



In 1998, President Clinton lied under oath about his relationship with a White House intern. The House of Representatives impeached Clinton for perjury and obstruction of justice. The Senate, however, did not remove him from office.

Despite protests from Democrats that the new law would increase poverty and hunger, Clinton signed the welfare reform bill. It soon made a significant impact. Employment of single mothers increased dramatically. As it did, the child poverty rate decreased from 20.8 percent in 1995 to 17.8 percent in 2004.

A Balanced Budget and an Economic Boom Clinton's support for welfare reform, coupled with an improving economy, boosted his popularity as president. In 1996, he easily won reelection. The victory made Clinton the first Democratic president since Franklin Roosevelt to secure a second term.

Clinton began his second term determined to avoid another budget impasse. Over the next year, Republicans and Democrats worked together to craft a tax cut bill and the Balanced Budget Act of 1997. "This legislation represents an historic compromise," said Clinton, "a monument to the progress that people of goodwill can make when they put aside partisan [political party] interests to work together for the common good and our common future." In 1998, the federal budget ran its first surplus in nearly 30 years. Clinton's efforts to slow federal spending contributed to the surplus.

Between 1998 and 2000, the U.S. government took in more money than it spent. "If we maintain our fiscal discipline," Clinton declared, "America will entirely pay off the national debt by 2015." Republicans argued that the government should return some of the surplus to taxpayers in the form of tax cuts.

A surge in tax revenues made an even greater impact on the surplus. By 1998, the country was enjoying a period of prosperity. Known as the "dot-com boom," it was largely driven by new business opportunities related to the Internet. The **Internet** is a network that links computers all over the world. In the early 1990s, new technology allowed Internet users to access documents stored on other computers connected to the Internet. The vast amount of information made available in this way is known as the **World Wide Web**.

The Internet gave rise to a host of online businesses whose Web addresses ended in .com—short for *commercial*. As the dot-com economy flourished, unemployment dropped to less than 4 percent, the lowest it had been in 30 years. Inflation also remained low, while stock prices soared. As the amount of money people earned, spent, and invested increased, tax revenues poured into the federal treasury, helping balance the federal budget.

Surviving Scandal and Impeachment Rumors of scandals had dogged Clinton from the beginning of his presidency. The primary charge was that he illegally profited from an investment in an Arkansas real estate development called Whitewater. Accusations also surfaced of his having had numerous affairs while he was governor of Arkansas. In May 1994, a former Arkansas state employee, Paula Jones, filed a lawsuit accusing Clinton of sexual harassment.

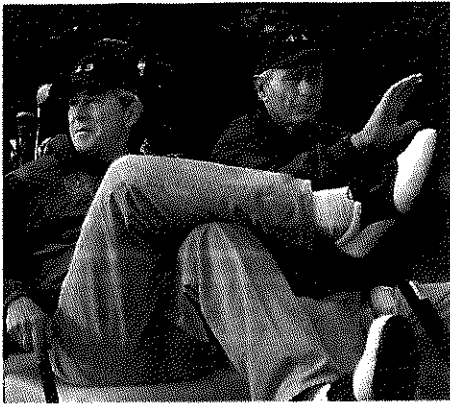
Attorney General Janet Reno appointed lawyer Kenneth Starr to investigate the Whitewater claims. In January 1998, Starr also obtained evidence that Clinton had engaged in an affair with a White House intern, Monica Lewinsky, which contradicted Clinton's testimony in the Paula Jones case. In September, Starr submitted to Congress a report that accused the president of committing perjury, or lying under oath. It also recommended that Clinton be impeached.

On December 19, 1998, the House voted along party lines to impeach President Clinton on two counts: (1) he had committed perjury, and (2) he had obstructed justice by lying under oath. In January 1999, the Senate tried Clinton on both counts. At the close of the trial, senators voted along party lines. As a result, the votes on both charges fell far short of the two thirds needed to remove Clinton from office. After the trial, Clinton asserted, "I want to say again to the American people how profoundly sorry I am for what I said and did to trigger these events and the great burden they have imposed on the Congress and on the American people."

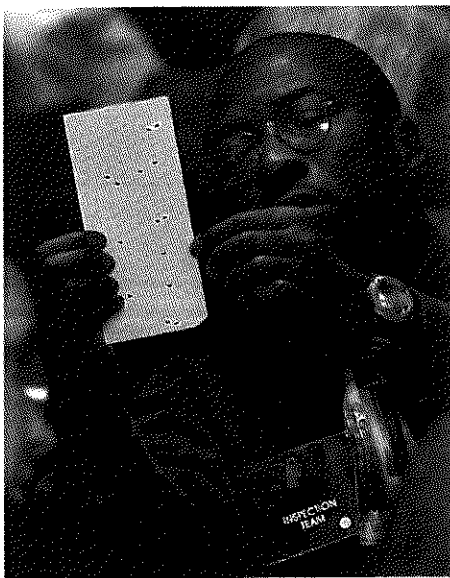
The majority of Americans seemed both to agree with the Senate's decision to acquit Clinton and to accept the president's apology. Clinton not only survived the scandal but also ended his presidency with a remarkably high 65 percent approval rating. This was the best "end-of-career" showing of any president since the end of World War II.

Bill Clinton's Domestic Agenda

Issue	Goals	Progress and Setbacks
Crime	Increase public safety and reduce gun violence	<p>Violent Crime Control and Law Enforcement Act of 1994 Banned sales of some assault weapons, increased penalties for many crimes against women, and funded the hiring of 100,000 new police officers</p> <p>Brady Handgun Violence Prevention Act of 1993 Required a waiting period and background check before purchase of a handgun</p> <p>Hate Crimes Prevention Act of 1999 Expanded hate crimes to include those based on gender, sexual orientation, or disability (supported by Clinton but failed to pass Congress)</p>
Trade	Expand trade across U.S. borders	<p>North American Free Trade Agreement (NAFTA; 1992) Reduced trade barriers, such as tariffs, among the United States, Canada, and Mexico</p>
Civil Rights	<p>Continue Affirmative Action</p> <p>Promote equal rights for homosexuals</p>	<p>"Mend it, don't end it" Fought off attempt to end affirmative action while improving how it works</p> <p>Appointments of gays Appointed more than 150 openly gay men and women to key executive and judicial positions</p> <p>"Don't Ask, Don't Tell" Policy Allowed homosexuals to serve in the military as long as they kept their sexual preference a secret</p>
Education	Improve education and job opportunities for young people	<p>Corporation for National and Community Service (1993) Launched AmeriCorps, which put young people to work on community projects in exchange for financial aid to help pay for college</p> <p>School-to-Work Opportunities Act (1994) Funded state programs designed to help high school students develop skills needed for entering the workforce</p>
Liberal Values	Create a more liberal Supreme Court	<p>Supreme Court Appointed Stephen Breyer and Ruth Bader Ginsburg, both liberals, to the Supreme Court</p>



George W. Bush, the 43rd president, and his father, George H. W. Bush, the 41st president, are the second family to have successive generations in the White House. The first was John Adams and John Quincy Adams.



Many Florida voters in 2000 did not punch a tiny rectangle, called a “chad,” completely off their ballots. As a result, voting machines did not count their ballots. The Supreme Court denied Al Gore’s request for a hand count of such ballots.

58.5 George W. Bush: Conservatism in Action

As Republicans approached the presidential election of 2000, it was their turn to face some unpleasant realities. Clinton had been effective at building a new Democratic coalition. Vice President Al Gore, the Democratic candidate for president, was a strong and seasoned campaigner. In contrast, the Republican Party seemed deeply divided between conservatives and moderates. The party needed a candidate who could unite Republicans while appealing to moderate Democrats. That task fell to the governor of Texas, George W. Bush.

The Supreme Court Decides the 2000 Presidential Election When Bush began campaigning, his chances of winning seemed slim. Al Gore, having served eight years as vice president, was well known. The Clinton scandals had not affected his reputation. And his work on environmental issues had won him broad support from environmentalists. Moreover, Gore could point to a soaring economy and years of peace as Democratic achievements. In contrast, people knew little about Bush other than that he was the son of a former president.

During the campaign, the situation changed. Bush presented himself as a compassionate conservative. Unlike Reagan conservatives, who wanted to reduce the power of government, Bush talked of using government to “put conservative values and conservative ideas into the thick of the fight for justice and opportunity. This,” he explained, “is what I mean by compassionate conservatism.” Bush’s promise of a more caring Republican Party became a central theme of his campaign.

Two factors helped Bush catch up with Gore by election day. One was his personality. After watching Bush campaign, a *New York Times* reporter wrote, “Mr. Bush is a natural politician . . . with a down-home, one-of-the-guys charm that puts people at ease.” The second factor was the third-party candidacy of Ralph Nader. His Green Party platform of reducing the power of corporations while increasing environmental protections attracted liberal voters who otherwise might have supported Gore.

On election day, Americans were stunned to see how close the vote was. Gore led Bush in the popular vote by one half of 1 percent. The all-important Electoral College vote came out similarly close. With 270 votes needed to win, Gore had 266 and Bush 246. Florida’s 25 electoral votes would decide the election. But the Florida vote proved too close to call. An initial count had Bush ahead by 1,784 votes out of nearly 6 million. The next day, a recount by machine reduced his lead to just 327 votes.

In some counties, officials raised questions about confusing ballots or ballots that may not have been properly counted by voting machines. Gore demanded that those counties recount their votes by hand. To stop the recount, Bush filed a lawsuit known as *Bush v. Gore*. When the Florida Supreme Court ruled against Bush, he appealed its decision to the Supreme Court. On December 12, 2000, the Court voted 5–4 to stop the recount. The majority reasoned that without clear legal standards for evaluating the ballots in question, a hand recount violated the equal protection clause of the Fourteenth Amendment. This decision gave Florida’s 25 electoral votes to Bush. On January 20, 2001, George W. Bush took the oath of office as the 43rd U.S. president.

The Supreme Court decision cast a cloud of doubt over Bush's **legitimacy**, or right to exercise power, as president. These doubts were largely dispelled when he ran for reelection in 2004. That year he became the first candidate since his father in 1988 to win more than 50 percent of the popular vote.

Legislative Wins and Losses For six of his eight years in office, Bush was backed by a Republican majority in Congress. With this support, he was able to enact much, but not all, of his domestic agenda. He did succeed in winning passage of an education reform bill known as the **No Child Left Behind Act (NCLB)**. Bush outlined the need for such reform in his speech accepting the Republican nomination in 2000:

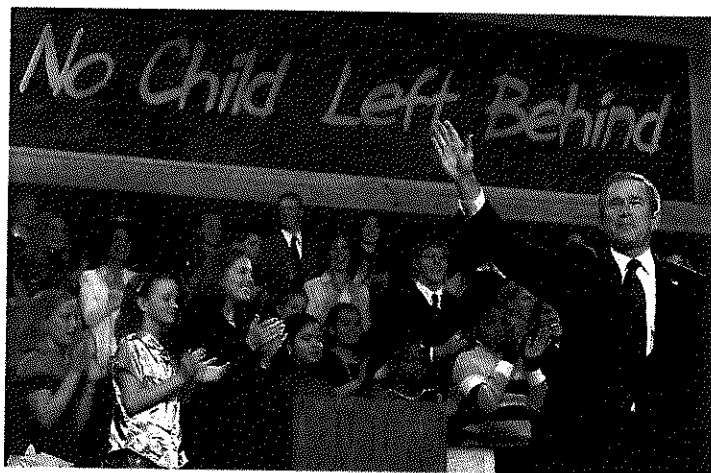
Too many American children are segregated into schools without standards, shuffled from grade to grade because of their age, regardless of their knowledge. This is discrimination, pure and simple—the soft bigotry of low expectations . . . When a school district receives federal funds to teach poor children, we expect them to learn.

NCLB ushered in a new era of **accountability** for public schools. Accountability is based on the principle that individuals or organizations are responsible for their actions and should be able to show how well they are doing at achieving their goals. NCLB requires schools receiving federal funds to test their students' progress in reading and math and to share the results. Schools unable to meet a standard called Adequate Yearly Progress (AYP) must offer their students extra tutoring help or the opportunity to attend school elsewhere. "The time for excuses has passed," Bush explained to critics of NCLB. "Our reforms insist on high standards because we know every child can learn."

Bush's efforts to reform the Social Security system were less successful. Many political leaders agreed that the system was heading for trouble. With baby boomers moving into retirement, there would soon be too few workers to support the growing number of retirees at the current levels of benefits. Many also agreed that something should be done to keep the pension system financially sound. The question was what.

Bush proposed reforming the system by allowing workers to invest part of their Social Security tax payments in retirement accounts. He argued that personal accounts would provide workers with better pensions than the current system. It would also leave them with funds to pass on to their children. Critics complained that Bush's plan could leave some workers worse off. Also, it would be an expensive approach.

"Social Security has been called the third rail of American politics," Bush once observed, "the one you're not supposed to touch because it might shock you." Bush's efforts seemed to prove this true. His plan never generated widespread support. By the end of 2005, Bush had dropped Social Security reform from his domestic agenda.



George W. Bush's No Child Left Behind Act increased federal funds to public schools. In exchange for these funds, schools were expected to show that their students were learning basic reading and math skills.

Reviving the Economy with Tax Cuts Bush had made cutting taxes a key element of his 2000 campaign. His pledge took on new urgency when the dot-com bubble began to burst just as he was taking office in 2001. To spur an economic recovery, Bush pushed through Congress a plan that cut income tax rates for most Americans. But the economy received a second shock in 2001. Terrorists attacked the World Trade Center in New York City and the Pentagon on September 11, or 9/11. Uncertain of what would happen next, Americans stopped traveling and spending. By the end of 2003, the U.S. economy had suffered a loss of more than 2 million jobs.

Bush responded by pushing Congress to reduce tax rates on earnings from savings and investments. He argued that lower tax rates would encourage people to work harder, save more, and invest in new enterprises. His opponents charged that his tax cuts would mainly enrich the wealthy. They predicted that cutting tax rates would also lead to falling tax revenues and a string of budget deficits.

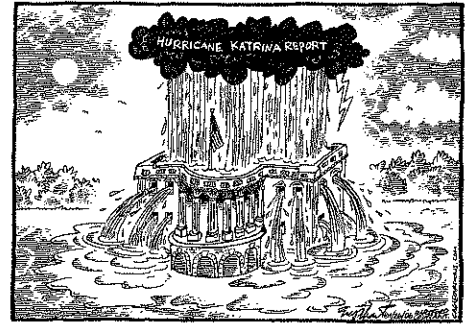
The federal budget did fall from a surplus of more than \$100 billion in 2001 to a deficit of nearly \$200 billion in 2002. But the shift from surplus to deficit was not entirely due to the recession and tax cuts. The events of 9/11—which

George W. Bush's Domestic Agenda

Issue	Goals	Progress and Setbacks
Social Welfare	Encourage community and faith-based groups to help the needy	Office of Faith-Based and Community Initiatives (2001) Assisted religious and community groups seeking federal funds to combat social problems such as homelessness and drug addiction
Immigration	Secure borders, create a guest worker program for immigrants, and provide a path for undocumented immigrants to earn citizenship	Comprehensive Immigration Reform Act Proposed reforms in line with Bush's goals (approved by the Senate but rejected by the House) Secure Fence Act of 2006 Authorized construction of hundreds of miles of fencing to reduce illegal immigration from Mexico
Health	Help senior citizens cope with high drug costs and protect the sanctity of life in medical research	Medicare Prescription Drug Benefit (2003) Helped retirees and people with disabilities pay for needed prescription drugs Embryonic stem cell research ban Limited federal funding of stem cell research to halt the use of human embryos in medical research
Conservative Values	Strengthen and support marriage and families Create a more conservative Supreme Court	Healthy Marriage Initiative (2005) Provided federal funds for programs aimed at encouraging low-income couples to marry and at helping already married couples stay together "Marriage penalty" Ended income tax provisions, resulting in some married people paying more taxes than if they had remained single Federal marriage amendment Defined marriage as "the union of a man and a woman" (supported by Bush but not approved by the necessary two-thirds majority in Congress) Supreme Court Appointed John Roberts and Samuel Alito, both conservatives, to the Supreme Court

you will read more about in Chapters 59 and 60—also played a part. In response to the attacks, Bush created the Department of Homeland Security. He also launched a war on terrorism in both Afghanistan and Iraq. As spending to fight terrorism soared, so did budget deficits, reaching nearly \$400 billion by 2004.

Fortunately, as Bush had predicted, the tax cuts helped stimulate an economic recovery. As the economy rebounded, tax revenues rose rapidly. To the surprise of Bush's critics, tax revenues in 2005 were higher than in any year since the peak of the dot-com boom in 2000. In addition, the share of income taxes paid by the wealthiest taxpayers was on the rise.



Bob Englehart, The Hartford Courant, 2006/Cagle Cartoons

After Hurricane Katrina, the Bush administration was awash in criticism. A House bipartisan committee investigating preparation for and response to the disaster identified failures at all levels of government. It also stated bluntly, "Critical elements of the National Response Plan were executed late, ineffectively, or not at all."

Surviving Falling Approval Ratings After 9/11, the nation rallied behind President Bush. His approval rating soared to 90 percent. But from that high point, his popularity began to plummet. Dissatisfaction with the progress of the war on terrorism was growing. Many disapproved of how the new Department of Homeland Security reacted to its first large natural disaster. In August 2005, Hurricane Katrina destroyed much of New Orleans and other Gulf Coast towns. The federal response to the disaster seemed slow and disorganized. By July 2006, Bush's approval rating had sunk below 40 percent in many polls.

During the 2006 midterm election campaign, many voters used their ballots to express dissatisfaction with Bush's presidency. For the first time since 1994, Democrats won control of the House and the Senate. "It was a thumping," Bush admitted afterward. "But nevertheless, the people expect us to work together." Looking ahead, he said, "I believe that the leaders of both political parties must try to work through our differences." Just how well his administration and the Democrat-controlled Congress would work together remained to be seen.

Summary

Democratic president Bill Clinton and Republican Presidents George H. W. Bush and George W. Bush struggled to meet their domestic policy goals.

George H. W. Bush In 1988, Bush appealed to Reagan Republicans with his campaign pledges to expand the economy, not raise taxes, and create a "kinder, gentler" America. After a costly bailout of the savings and loans crisis, he broke the no-taxes pledge in an effort to balance the federal budget.

Bill Clinton As a moderate New Democrat, Clinton breathed new life into the Democratic coalition. One of his main legacies is welfare reform. Clinton failed to enact universal health care, however. In his second term, Clinton was impeached but not removed from office.

Contract with America In the 1994 midterm elections, Republicans won control of Congress with their 10-point Contract with America.

Bush v. Gore In the 2000 election, Al Gore led George W. Bush in the popular vote by a very thin margin. The Supreme Court decided the outcome, denying Gore's demand for a recount in Florida.

George W. Bush As a candidate, Bush reached out to moderates with his compassionate conservatism. One of his main legacies is education reform. However, Bush failed to reform the Social Security system.