This chapter discusses important events of the 21st century: the wars in Afghanistan and Iraq, foreign and domestic issues of the Bush administration, and Obama’s first years as president.

**Bush’s Global Challenges**
- The election of 2000 was one of the closest in history and further divided the country.
- Bush was declared the winner, and Gore demanded a recount.
- Florida was the deciding state; its Supreme Court ordered a hand count.
- The U.S. Supreme Court declared Bush the winner.
- No Child Left Behind and Medicare were Bush’s top priorities.
- Osama Bin Laden and al-Qaeda were responsible for 9/11.
- The Office of Homeland Security and the Patriot Act were created.
- The War on Terror began in Afghanistan.
- Saddam Hussein was captured.
- Iraq held its first elections in 2005.

**Domestic Challenges**
- Bush was re-elected in 2004.
- The Abu Ghraib prison scandal erupted in 2004.
- Terrorists were held at Guantanamo Bay.
- NSA monitored domestic phone calls made to overseas locations.
- Katrina devastated the Gulf Coast.
- John Roberts and Samuel Alito were appointed to the Supreme Court.
- Out of control spending was partially due to “earmarks.”
- Democrats gained control of Congress; Nancy Pelosi became the first female “Speaker of the House.”
- A troop surge was planned in Iraq.

**Focusing on Afghanistan and Iraq**
- The U.S. sent military aid to the Northern Alliance in Afghanistan.
- The U.S. helped rebuild Afghanistan.
- Bin Laden hid in the mountains in Pakistan.
- Bush warned Americans about the “Axis of Evil.”
- Bush issued an ultimatum to Saddam Hussein to give up Iraq’s WMD.
- Iraq was invaded.

**The Obama Presidency**
- A financial crisis crippled America.
- Obama won the 2008 election.
- Fannie Mae and Freddie Mac backed high-risk mortgage loans.
- Many unemployed Americans had mortgage troubles.
- American Recovery Act was passed by Congress.
• Health Care Reform (Obamacare) was passed, but many Americans disapproved.
• A third political party, “The Tea Party Movement,” emerged.
• Republicans won big in the 2010 mid-term elections.