

## Introduction

*William Jefferson “Bill” Clinton*, the Democratic governor of Arkansas, defeated *George H. W. Bush* in 1992 and became the 42<sup>nd</sup> President of the United States. He was the first Democrat in 12 years to hold that office. Clinton’s campaign was based on economic issues, tax policies, health care, welfare-cost concerns, and the large national debt. Even as he waged his campaign, Clinton’s character and integrity were questioned and this issue would surface again. However, after he took office, the economy began to improve, and the scandals that threatened the Clinton presidency seemed to have little negative effect on his ability to run the country.



*President Bill Clinton*

## The Economy of the '90s

President Clinton’s economic program offered in February of 1993 targeted reduced government spending, especially in the defense budget and new programs to aid economically deprived individuals and regions of the country. Clinton’s economic program included the North American Free Trade Agreement, or NAFTA. This pact admitted Mexico to the free-trade zone created by the United States and Canada. Critics of this agreement warned that low wages would cause industries to move to Mexico, but backers of the agreement predicted a gain in jobs as Mexican markets opened to United States products. NAFTA passed in November of 1993, and the critics and advocates were both right as trade with Mexico increased, but manufacturing plants moved to Mexico, taking with them many low-wage jobs.

## The Federal Deficit

Clinton had better luck with a deficit-reduction bill in 1993. In August of 1993, Congress passed a five-year plan that included spending cuts and tax increases designed to reduce the federal **deficit** or shortage of **revenue**. Without cutting funded **entitlement programs** such as help for middle-class people who are elderly, poor children, and people with disabilities, the Clinton plan, modified by Congress, was able to cut the yearly federal budget *deficit* by one-third between 1992 and 1995. The most effective tool

in reducing the federal debt, however, was a growing economy. By 1996, unemployment continued to fall, the stock market prospered, and inflation remained low. Toward the end of the century there was a prominent shift in **global** demand for information services, rather than industrial and manufacturing services, which also helped the economy. As the century drew to an end, American businesses were doing well, and stocks rose to record high trading prices, though many feared that the stocks were overvalued.

## The First Clinton Term



*President Bill Clinton*

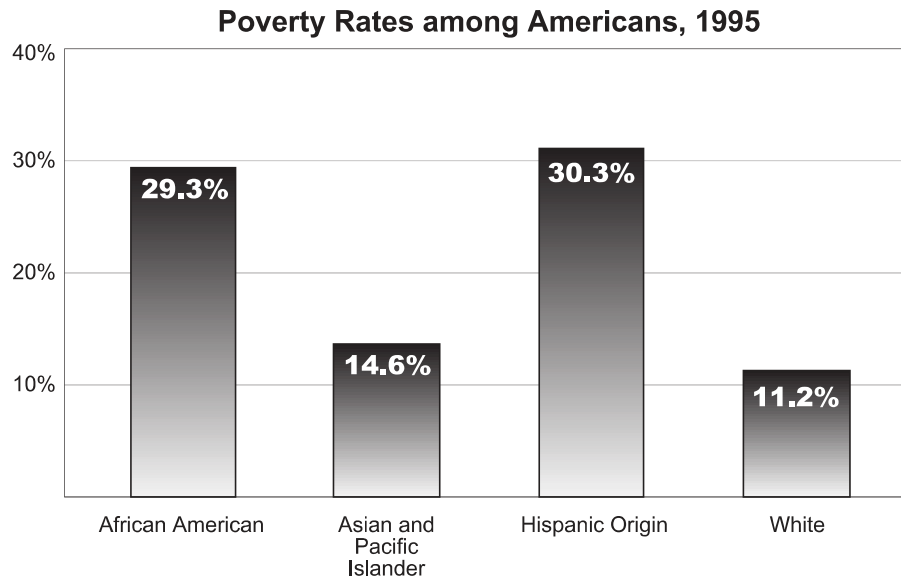
When Clinton took office in January of 1993, the most pressing issues were not related to foreign affairs but rather to problems within the United States. Crime and welfare were the main concerns of voters. Clinton's campaign had stressed rising welfare costs, health care, the recession, and the poor economy, so he immediately began to address these issues. Clinton's Vice President *Albert "Al" Gore, Jr.*, was a former member of the United States House of Representatives (1975-1985) and the United States Senate (1985-1993). Clinton and Gore were the first members of the **baby-boom generation** born after World War II between 1946 and 1964 to be President and Vice President. Both belonged to the New Democratic Coalition, a group of moderates who wanted to stop wasteful spending on social programs and stress Middle America concerns.

Clinton named women to head the Justice Department (*Janet Reno*); the Department of Energy (*Hazel R. O'Leary*); the Department of State, (*Madeleine K. Albright*); the Department of Health and Human Services (*Donna E. Shalala*); the Surgeon General (*Joycelyn Elders*); the Council of Economic Advisors (*Laura D'Andrea Tyson*); the Environmental Protection Agency (*Carol M. Browner*); and the Supreme Court (*Ruth Bader Ginsburg*). He also appointed his wife, *Hillary Rodham Clinton*, to head the Task Force on National Health-Care Reform. Clinton also named women to the United Nations delegation and the Bureau to the Budget. In his second term he named a woman to head the Department of Labor, *Alexis M. Herman*.

## Welfare Reform

Clinton had campaigned on a pledge to "end welfare as we know it." He proposed giving \$10 billion for training, education, and child care so welfare recipients could seek higher-paying jobs. However, Congress

refused to approve the increased spending. Congress also legislated restrictions on federal laws that put new obligations on state and local governments without providing funds. As the midterm elections approached, Clinton took no more action on welfare.



### Health-Care Reform

Health-care reform, which was a campaign promise, proved to be a difficult task to achieve. A special task force headed by First Lady Hillary Clinton, was given the task of devising a national health care plan. The plan set caps on health insurance premiums and on **Medicare** and **Medicaid** payments. The plan also created a national health board to monitor costs and called for employers to pay 80 percent of workers' health insurance costs. To cover the start-up costs, stiff new taxes on tobacco were proposed.

Launched with great fanfare, the 1,342-page health-care bill failed because of public confusion; congressional politics; and intense lobbying by the insurance industry, tobacco companies, retired persons, business and hospital organizations, and the medical profession.

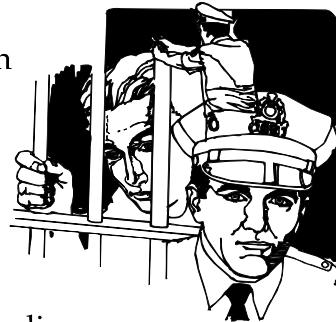
In a less controversial action, Clinton signed a bill that both parties supported which made health care



portable. The law made it so workers could transfer their health insurance when they left their jobs, even if the person had a preexisting condition. However, the bill did not establish health care as a part of a federal *entitlement program*. Lawmakers are hoping to complete the reform of health care before the large *baby-boom generation* ages to the point of needing health-care assistance.

## Crime Bill

Clinton pushed the Brady Bill through Congress in 1993, making it more difficult to buy a handgun. The bill was named after presidential aide James Brady, who had been wounded and disabled by gunfire in a 1981 assassination attempt on President Ronald Reagan. In 1994 Clinton introduced an anticrime bill which provided \$30 billion to fund drug treatment, more prisons and police officers, boot camps, a ban on assault weapons, and various prevention programs. After much debate, Congress finally passed a crime bill similar to Clinton's proposal.



## The Election of 1996

Clinton was reelected in 1996, becoming the first Democratic President to be reelected since Franklin D. Roosevelt. He defeated Republican candidate *Robert J. "Bob" Dole* and the newly established Reform Party candidate *Ross Perot*. The Republicans kept control over both houses of Congress, and President Clinton and the Republicans leaders promised to set aside the bitter differences that marked Clinton's first term. They agreed to cooperate in facing the challenges of the 21<sup>st</sup> century—the expanding *global* economy and widespread insecurity.

## The Second Clinton Term

A strong economy and good working relationship with Congress helped Bill Clinton win his second term as President in November of 1996. Although Republicans kept control of both houses of Congress, they and President Clinton began to cooperate and compromise on legislation. To further assist him in his second term of office, Clinton once again put together a diversified cabinet.



## Welfare Reform and Budget Reforms

In 1996 the Republican Congress created a bill that completely overhauled the welfare system. Welfare reform was passed, giving more power to the states rather than the federal government. This was done in the belief that each state would be able to meet the needs of people in their state better than the federal government. More sweeping welfare changes failed because some opponents thought they were too harsh. Clinton signed the bill, which deeply cut welfare grants and required able-bodied welfare recipients to find employment.

In 1997 President Clinton and the Republican Congress agreed to combine tax cuts and reductions in government spending to produce the first balanced budget in three decades. A year later the federal budget had a **tax surplus**. A *tax surplus* occurs when the government takes in more *revenue* than it spends. The surpluses were used to pay down the national debt.

## Foreign Issues

Clinton had first taken office at a time when the world was still reeling from the collapse of the Soviet Union. Clinton continued good relations with Boris Yeltsin, President of Russia, which had begun with President Bush at a summit in Vancouver, British Columbia. Yeltsin would later surprise his nation and the world by resigning as President on the last day of 1999. Yeltsin turned power over to Prime Minister *Vladimir Putin*. In late March 2000, Putin won a first-round landslide to become Russia's youngest new leader since Joseph Stalin and its second democratically elected President. The breakup of the Soviet Union and the active involvement in the recent Gulf War had placed the United States in a special leadership role as the only remaining world superpower.

During Clinton's first term, the conflict in the Middle East continued and in September of 1993, he was instrumental in persuading Palestine and Israel to agree to a framework for peace negotiations after years of war. During his second term, his administration helped promote peace agreements between the Palestinians and Israel in 1997 and 1999. However, further negotiations in 2000 were unsuccessful. Clinton also took measures to stop North Korea's development of nuclear weapons and to remove Haiti's military dictatorship. In 1994 he withdrew United States military forces from Somalia where, while helping to establish peace and halt famine, they suffered numerous casualties in an effort to capture a Somali warlord.

The second term of the Clinton presidency focused on the establishment of international trade agreements as a means to promote democracy and to improve human rights policies globally.

United Nation weapons inspections which began after Desert Storm (see Unit 10) continued. However, in December of 1998, a four-day operation called Desert Fox used United States and British planes and cruise missiles to force *Saddam Hussein*, the dictator of Iraq, to comply with the terms of the treaty concerning the United Nations' weapons inspections. In 1999 United States and British air attacks continued. The issue of weapons inspections remained an unresolved issue during the last years of the Clinton administration.



In addition to the ongoing problems in the Middle East, the United States was also involved in international movements to aid in other foreign crisis situations. The main areas of concentration were in Africa and Eastern Europe. Protection against **terrorism** was also an issue.

Human rights issues around the world brought the United States and other North Atlantic Treaty Organization (NATO) countries into action in Haiti, Bosnia, Somalia, Rwanda, and Kosovo to help protect citizens against either their own governments, or against rebel groups.

The war in Bosnia proved to be the biggest foreign policy challenge Clinton would have to face. Without the strong Soviet government to keep things in check, age-old conflict among ethnic and religious groups surfaced. The United States, along with the United Nations and NATO, tried various diplomatic alternatives that were rejected by the Serbs. The Bosnian Serbs continued their policy of ethnic cleansing which included systematic massacre, rape, concentration camps, and relocation of Muslims. Ethnic cleansing is reminiscent of Nazi Germany's campaign of **genocide** against Jews in World War II. In 1996 Clinton sent 20,000 American troops to Bosnia in a peacekeeping effort as thousands and thousands of refugees began to leave their homes and search for a safe place to live.



*Bosnian War*

United States led NATO forces waged an air war against Yugoslavia (now Serbia and Montenegro) throughout the first half of 1999 in an effort to stop the ethnic cleansing of Albanian Muslims in the province of Kosovo that was being carried out by the government of Yugoslav President *Slobodan Milosevic*. In 1990 Milosevic had been nicknamed “Butcher of the Balkans” because of his support of violence in Bosnia and Croatia, and for war crimes against humanity. In May of 1999, the International Criminal Tribunal in The Hague, Netherlands, indicted Milosevic. Also indicted were four top Serbian aides. Finally, after 78 days of air strikes over Belgrade, a peace plan was offered. NATO suspended the air war and authorized the heavily armed United Nations security force to restore peace and escort more than one million refugees back to their homes. However, the United States refused to help rebuild as long as Milosevic was in power. In September 2000, Milosevic was defeated in Yugoslavia’s presidential elections by Yojislav Kostunia, a law professor. When the new

democratic administration of Kostunica took over, the United States and the European Union (EU) worked to lift sanctions imposed against Milosevic's government and to have Milosevic tried in The Hague, the Netherlands, as a war criminal.

## Impeachment Trial

Throughout both of Clinton's terms, his tenure was blemished by allegations surrounding misuse of campaign funds, illegal business operations, and involvement with other women. In January 1998 there were accusations that Clinton had an affair with a young White House intern. Clinton was charged with **perjury** or lying under oath before a grand jury about the affair, obstruction of justice, and abuse of Presidential power. The Republican controlled House of Representatives voted to impeach Clinton. To be impeached means a government official has been accused or charged with "treason, bribery, and other high crimes and misdemeanors" by the House and must face trial in the Senate.



*President Bill Clinton*

The Senate after much deliberation voted that Clinton's charges, while serious, did not rise to the level of high crimes and misdemeanors as defined by the Constitution. On February 12, 1999, Clinton was acquitted on the *perjury* count by a 55-45 majority and on the obstruction of justice count by 50-50. Neither voting result came close to the two-thirds guilty vote necessary to convict. Clinton did not have to leave office, but many experts wondered if he would be an effective President for the remainder of his term. Clinton was the second President to be impeached. Andrew Johnson was impeached in 1868, but the Senate failed to find him guilty by one vote. President Nixon also faced impeachment charges in 1974 for his role in the Watergate scandal, but resigned before his trial date (see Unit 8 page 241).

## Social Security Concerns



The graying of America continues to place new demands on programs such as *Medicare* and **Social Security**. *Social Security* pays benefits to retired Americans. In 1996 it took Social Security contributions from three workers to support one retiree. By 2030, however, with an increase in the number of retired persons and the expected decline in the birthrate, there will be only two workers contributing to support one senior citizen. Experts predict that by 2040, one in five Americans will be over 65, and the

older-than-85 category will grow at an even faster rate. If Congress fails to restructure, eventually the Social Security system will be paying out more money than it takes in. Some suggestions for Social Security reform are raising deductions, taxing benefits paid to wealthier Americans, and raising the retirement age.

## The End of the Century

At the end of the 20<sup>th</sup> century, America found itself sandwiched between two age groups—the aging baby-boom generation born between 1946 and 1964, and **Generation X**, composed of persons born between 1965 and 1978. *Generation X* is the second largest generation after the baby boomers. However, *Generation X* is a considerably smaller group compared to the baby-boom generation and **Generation Y**. The largest group so far is *Generation Y*, made up of persons born between 1979 and the present.

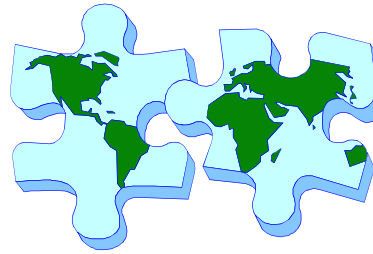
## Moving Toward the 21<sup>st</sup> Century

Each century brings challenges and changes. The 18<sup>th</sup> century created national institutions and extended our borders to the West. The 19<sup>th</sup> century created new empires abroad, new cities at home, and industrialization. The 20<sup>th</sup> century saw medical advances, technological advances, and space exploration.

The new century will bring many challenges. With new challenges come new opportunities. To meet these challenges, Americans have invested in improved education and new technologies. With cooperation and effort, these changes will foster growth and tolerance. The previous centuries brought new ways to either destroy or enrich lives. The outcomes of the 21<sup>st</sup> century depend on all of us—the voters and decision-makers of the future. New challenges will require each of us to put forth clear thinking, and commitment, and actively involve ourselves as citizens and policymakers as we approach our third century as a nation.

## America from One Millennium to the Next

As we headed into the next millennium, which began in the year 2001, Americans faced new and old concerns. Events around the world and at home helped remind Americans that world problems often have domestic consequences. *Terrorism* continued to



be a growing concern. The bombing of the World Trade Center in New York City in 1993 by Shiite Muslim fundamentalists linked to a radical Egyptian sheik killed six people. Other acts of terrorism by either foreign radical groups or American radicals included bombings of a federal office building in Oklahoma City in 1995 (killing 169 people), the Olympic Centennial Park in Atlanta in 1996 (killing two people), and United States Embassy buildings in Kenya and Tanzania (killing 224 people, including 12 Americans) in 1998.

The increase of violence in schools around the country was also a major concern. In April 1999 two students at Columbine High School in Colorado killed 12 students, a teacher, and then themselves. Many leaders blame violence shown on television, in movies, and in video games, and unlimited access to questionable material on the Internet. Others cite a lack of proper parental guidance, while some blame the easy access to guns. Overall, in America, there is a question of whether or not there is a lack of respect for others and a failure to take responsibility for one's actions. Lawmakers have been looking for ways to control what children see in the media without violating First Amendment free speech rights.

New opportunities for addressing these concerns called out each day on our streets; in the eyes and hands of artists; in the minds and ideas of inventors and scientists; and in the never-ending search for social justice,



individual fulfillment, and international peace. We will continue to see how the country will face these concerns and others in the future.

## **Summary**

Bill Clinton defeated George H. W. Bush in 1992 to become the 42<sup>nd</sup> President of the United States and defeated Bob Dole in 1996. Clinton was the first Democratic President to be reelected to a second term since Franklin D. Roosevelt. Although plagued by scandals, the charismatic President Clinton was successful in aiding the recovery of the nation's economy. By the end of his second term in office, foreign aid, military actions, and domestic violence continued to dominate Clinton's agenda as he struggled to leave a presidential legacy which included something more than controversy.