

SECTION
1

The 1990s and the New Millennium

MAIN IDEA

The nation became divided as the Democrats gained control of the White House in the 1990s, and the Republicans came to power at the beginning of the new millennium.

WHY IT MATTERS NOW

Democrats and Republicans need to find a way to work together and unite a divided nation.

Terms & Names

- William Jefferson Clinton
- H. Ross Perot
- Hillary Rodham Clinton
- NAFTA
- Newt Gingrich
- Contract with America
- Al Gore
- George W. Bush

One American's Story

On January 20, 1993, poet Maya Angelou was honored as the first woman and the first African American to read her work at a presidential inauguration. Bill Clinton asked Angelou to compose and deliver a poem. Angelou expressed the optimism of the day, recalling the dream of Martin Luther King, Jr., as she recited her poem “On the Pulse of Morning.”

A PERSONAL VOICE MAYA ANGELOU

“Lift up your faces, you have a piercing need
For this bright morning dawning for you.
History, despite its wrenching pain,
Cannot be unlived, but if faced
With courage, need not be lived again.

Lift up your eyes
Upon this day breaking for you.
Give birth again
To the dream.”

—“On the Pulse of Morning”



Maya Angelou

Moments later, William Jefferson Clinton was inaugurated as the 42nd president of the United States. Clinton entered the presidency at a time when America was at a turning point. A severe economic recession had made many Americans uneasy about the future. They looked to Clinton to lead a government that would be more responsive to the people.

Clinton Wins the Presidency

Governor **William Jefferson Clinton** of Arkansas became the first member of the baby-boom generation to win the presidency. He captured the White House, at the age of 46, by vowing to strengthen the nation’s weak economy and to lead the Democratic Party in a more moderate direction.

MAIN IDEA

Analyzing Causes

A What factors accounted for Bush's decline in popularity?

THE ELECTION OF 1992 After the U.S. victory in the Persian Gulf War in 1991, Republican president George Bush's popularity had climbed to an 89 percent approval rating. Shortly after the war ended, however, the nation found itself in the grips of a recession. In early 1992, Bush's approval rating nose-dived to 40 percent. In his run for reelection, President Bush could not convince the public that he had a clear strategy for ending the recession and creating jobs. **A**

Throughout the presidential race, Bill Clinton presented himself as the candidate to lead the nation out of its economic crisis. So did a third-party candidate—Texas billionaire **H. Ross Perot**. Perot targeted the soaring federal budget deficit as the nation's number one problem. A budget deficit occurs when the federal government borrows money to meet all its spending commitments. "It's time," Perot declared in his usual blunt style, "to take out the trash and clean up the barn."

Election Day results, however, demonstrated that Clinton's center-of-the-road strategy had the widest appeal. Though Clinton won, he captured only 43 percent of the popular vote. Bush received 38 percent, while Perot managed an impressive 19 percent.

A "NEW" DEMOCRAT Bill Clinton won the presidency in part by promising to move away from traditional Democratic policies. He also emphasized the need to move people off welfare and called for growth in private business as a means to economic progress.

In office, Clinton worked to move the Democratic Party toward the political center by embracing both liberal and conservative programs. According to an ally, Clinton hoped "to modernize liberalism so it could sell again." By doing so, he sought to create a "new" and more inclusive Democratic Party.

Moderate Reform and Economic Boom

President Clinton demonstrated his willingness to pursue both liberal and conservative policies on health care, the budget deficit, crime, and welfare.

HEALTH CARE REFORM Clinton had pledged to create a plan to guarantee affordable health care for all Americans, especially for the millions of Americans who lacked medical insurance. Once in office, Clinton appointed First Lady **Hillary Rodham Clinton**, a skilled lawyer and child-welfare advocate, to head the team creating the plan. The president presented the health care reform bill to Congress in September 1993.


Congress debated the plan for a year. Intense lobbying and Republican attacks on the plan for promoting "big government" sealed its doom. In the end, Congress never even voted on the bill. **B**

MAIN IDEA

Analyzing Causes

B What factors led to the defeat of Clinton's health care plan?

KEY PLAYER



WILLIAM JEFFERSON CLINTON, 1946–

Born in Hope, Arkansas, at the beginning of the baby boom, Bill Clinton had wanted to be president most of his life. As a college student in the 1960s, he had opposed the Vietnam War and pulled strings to avoid being drafted.

After studying in England as a Rhodes scholar and graduating from Yale law school, Clinton returned to Arkansas. He taught at the University of Arkansas School of Law and dived into politics, becoming governor in 1979 at the age of thirty-two.



▲ Hillary Rodham Clinton explains the health care reform plan to a Senate subcommittee.

BALANCED BUDGET AND AN ECONOMIC BOOM President Clinton was more successful in his efforts to reduce the federal budget deficit. Clinton and the Republican-controlled Congress agreed in 1997 on legislation to balance the federal budget by the year 2002. The bill cut spending by billions of dollars, lowered taxes to win Republican support, and included programs aimed at helping children and improving health care.

A year later, Clinton announced that—for the first time in nearly 30 years—the federal budget had a surplus. That is, the government took in more than it spent. Surpluses were used, in part, to pay down the nation's debt, which had soared to around \$5.5 trillion.

Perhaps the most effective tool in generating a surplus was the booming economy. About the time Clinton took office, the economy rebounded. Unemployment fell and the stock market soared to new heights. As a result, the government's tax revenues rose, and fewer people received public aid. These factors helped slash the federal debt.

REFORMING WELFARE Clinton and the congressional Republicans cooperated to reform the welfare system. In 1996, a bill was proposed to place limits on how long people could receive benefits. It also put an end to a 61-year federal guarantee of welfare, and instead gave states “block grants”—set amounts of federal money they could spend on welfare or for other social concerns.

Although liberal Democrats feared the effects of eliminating the federal safety net for the poor, the president backed the bill. Over the next few years, states moved millions of people from welfare to jobs. Because of the strong economy, the transition was more successful than some had been predicting.

Background

See *national debt* on page R43 in the Economics Handbook.

Injured victims after the April 1995 bombing of the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma.

Crime and Terrorism

The improved economy—along with enlargement of police forces—combined to lower crime rates in the 1990s. However, fears were raised among Americans by acts of violence and terrorism around the country.

A shocking crime occurred April 1999 when two students at Columbine High School, in Colorado, killed 12 students and a teacher and wounded 23 others, and then shot themselves. Americans were appalled at copycat crimes that began to occur. Some called for tougher gun control, while others argued that exposure to violent imagery should be curtailed. Violence had pervaded television news throughout the decade.

In 1993, terrorists had exploded bombs in the World Trade Center in New York City. This was closely followed by a 1995 blast that destroyed a nine-story federal office building in Oklahoma City, killing 168 children, women, and men. Timothy McVeigh, an American veteran of the Gulf War, was found guilty in the Oklahoma bombing. He was executed in 2001, the first use of the federal death penalty in 38 years. Although American embassies and military targets abroad were subject to sporadic and deadly terrorist attacks during the decade, the U.S. was in no way prepared for a devastating attack that took place on its own soil on the morning of September 11, 2001. **C**



MAIN IDEA

Summarizing

C What acts of terrorism targeted Americans in the decade preceding 2001?

In a coordinated effort, two hijacked commercial jets struck the twin towers of the World Trade Center in New York City, one crashing just minutes after the other. The jets exploded on impact and subsequently leveled the tallest buildings of New York's skyline, the symbolic center of American finance. About an hour later, a third plane tore into the Pentagon building, the U.S. military headquarters outside Washington, D.C. Air travel ceased almost immediately; across the nation planes in the air were ordered to land. During the evacuation of the White House and the New York financial district, a fourth hijacked plane crashed near Pittsburgh, Pennsylvania.

About 3,000 people were killed in the attacks. These included all the passengers on all four planes, workers and visitors in the World Trade Center and the Pentagon, and hundreds of rescue workers. (See the first issue in "Issues for the 21st Century," on page 894.)



New Foreign Policy Challenges

Vocabulary
globalization: to make worldwide in scope or application

Conflicts and confused alliances grew in the wake of the Cold War. The question of U.S. intervention overseas, and the globalization of the economy presented the United States with a host of new challenges.

RELATIONS WITH FORMER COLD WAR FOES Maintaining strong relations with Russia and China became major goals for the Clinton administration. Throughout the 1990s, the U.S. and Russia cooperated on economic and arms-control issues. Still, Russia criticized U.S. intervention in Yugoslavia, where a bloody civil war raged. Meanwhile, U.S. officials protested against Russian attacks on rebels in the Russian region of Chechnya.

U.S. relations with China were strained as well. Clinton had stressed that he would lean on China to grant its citizens more democratic rights. As president, however, he put greater emphasis on increasing trade with China. Despite concerns that Chinese spies had stolen U.S. defense secrets, Clinton supported a bill—passed in 2000—granting China permanent trade rights.

TROOPS ABROAD With the Cold War over, the United States turned more of its attention to regional conflicts. President Clinton proved willing to use troops to end conflicts overseas. In 1991, military leaders in Haiti forced the elected president from office. Thousands of refugees fled the military leaders' harsh rule. In 1994, President Clinton dispatched American troops to Haiti, and the military rulers were forced to step down.

Other interventions occurred in Yugoslavia. In 1991, Yugoslavia broke apart into five nations. In Bosnia, one of the new states, some Serb militias under Slobodon Milosevic (mee • LOH • sheh • vihch) began "ethnic cleansing," killing or expelling from their homes people of certain ethnic groups. In 1995, the United States helped negotiate a peace in Bosnia. Clinton sent U.S. troops to join NATO troops to help ensure the deal. About three years later, Serb forces attacked ethnic Albanians in the Serb province of Kosovo. The U.S. and its NATO allies launched air strikes against Serbian targets in 1999, forcing the Serbs to back down. American troops followed up by participating in an international

▲ A view across the Brooklyn Bridge shows the devastating impact of two jets used by terrorists as missiles to destroy the World Trade Center.



▲ American workers protest against the North American Free Trade Agreement (NAFTA).

peace-keeping force. In both Bosnia and Kosovo, the administration promised early withdrawal. However, the U.S. troops stayed longer than had been intended, drawing criticism of Clinton's policies. **D**

TRADE AND THE GLOBAL ECONOMY Seeing flourishing trade as essential to U.S. prosperity and to world economic and political stability, President Clinton championed the **North American Free Trade Agreement (NAFTA)**. This legislation would bring Mexico into the free-trade zone that the United States and Canada already had formed. Supporters said NAFTA would strengthen all three economies and create more American jobs. Opponents insisted that NAFTA would transfer American jobs to Mexico, where wages were lower, and harm the environment because of Mexico's weaker antipollution laws. Congress rejected these arguments, and the treaty was ratified by all three countries' legislatures in 1993. Once the treaty took effect, on January 1, 1994, trade with Mexico increased.

Critics of free trade and the global economy remained vocal, however. In late 1999, the World Trade Organization (WTO), an organization that promotes trade and economic development, met in Seattle. Demonstrators protested that the WTO made decisions with little public input and that these decisions harmed poorer countries, the environment, and American manufacturing workers.

Subsequent anti-globalization protests have been held worldwide. Violent clashes erupted between police and demonstrators at the April 2001 third Summit of the Americas, held in Quebec City, Canada. Nevertheless, the activists failed to halt plans to launch, by 2006, the Free Trade Area of the Americas (FTAA)—an enlarged version of NAFTA covering the 34 countries in the Western Hemisphere, except Cuba.

Partisan Politics and Impeachment

While Clinton and Congress worked together on deficit reduction and NAFTA, relations in Washington became increasingly partisan. In the midst of political wrangling, a scandal rocked the White House, and Bill Clinton became the second president in U.S. history to be impeached.

REPUBLICANS TAKE CONTROL OF CONGRESS In mid-1994, after the failure of President Clinton's health care plan and recurring questions regarding his leadership, Republican congressman **Newt Gingrich** began to turn voters' dissatisfaction with Clinton into support for Republicans. He drafted a document called the **Contract with America**—ten items Republicans promised to enact if they won control of Congress. They included congressional term limits, a balanced-budget amendment, tax cuts, tougher crime laws, and welfare reform. **E**

In the November 1994 election, the Republicans handed the Democrats a humiliating defeat. Voters gave Republicans control of both houses of Congress for the first time since 1954. Chosen as the new Speaker of the House, Newt Gingrich was jubilant.

A PERSONAL VOICE NEWT GINGRICH

“I will never forget mounting the rostrum . . . for the first time. . . . The whole scene gave me a wonderful sense of the romance of America and the magic by which Americans share power and accept changes in government.”

—To *Renew America*

MAIN IDEA

Analyzing Causes

D Why did the United States send troops to Yugoslavia and Kosovo?

Vocabulary

partisan: devoted to or biased in support of a party, group, or cause

MAIN IDEA

Summarizing

E What were some of the provisions of the Contract of America?

President Clinton and the Republican-controlled Congress clashed. Clinton opposed Republican budgets that slowed entitlements—federal programs which provide for basic human needs—such as Social Security and Medicaid. Clinton and Congress refused to compromise, and the Republicans refused to pass the larger budgets he wanted. As a result, the federal government shut down for almost a week in November 1995, and again for several weeks in the next two months.

THE 1996 REELECTION The budget standoff helped Clinton, as did the strong economy and passage of the welfare reform law of 1996, which suggested an improved working relationship with Congress. As a result, voters reelected Clinton in November 1996. With 49 percent of the popular vote, he outpolled the Republican nominee, U.S. Senator Bob Dole, and the Reform Party candidate, H. Ross Perot. Still, the Republicans maintained control of the House and Senate. Both President Clinton and Republican leaders pledged to work more cooperatively. Soon however, the president faced his most severe problems yet. **F**

CLINTON IMPEACHED President Clinton was accused of improperly using money from a land deal with the Whitewater Development Company to fund his 1984 gubernatorial reelection campaign. In addition, Clinton allegedly had lied under oath about having an improper relationship with a young White House intern. In 1998, Clinton admitted that he had had an improper relationship with the young woman, but he denied lying about the incident under oath or attempting to obstruct the investigation.

In December 1998, the House of Representatives approved two articles of impeachment, charging the president with perjury and obstruction of justice. Clinton became only the second president—and the first in 130 years—to face a trial in the Senate. At the trial a month later, the Senate fell short of the 67 votes—a two-thirds majority—required to convict him. Clinton remained in office and apologized for his actions.

These Americans protested the impeachment. Many Democrats claimed that prosecuting President Clinton was “pure partisanship.”

MAIN IDEA

Analyzing Causes

F What factors contributed most to Clinton’s reelection?



The Race for the White House

In the 2000 presidential race, the Democrats chose Vice President **Al Gore** to succeed Bill Clinton. The Republicans nominated **George W. Bush**, governor of Texas and the son of the former president. Ralph Nader, a long-time consumer advocate, ran for the Green Party, which championed environmental causes and promoted an overall liberal agenda. On the eve of the election, polls showed that the race would be tight. In fact, the election proved one of the closest in U.S. history. Determining a winner would take over a month.

ELECTION NIGHT CONFUSION As election night unfolded, Al Gore appeared to take the lead. The television networks projected that he would win Florida, Pennsylvania, and Michigan—states rich in electoral votes that would ultimately decide the winner of the race. Then, in a stunning turn of events, the TV networks recanted their original projection about Gore’s victory in Florida and proclaimed the state “too close to call.”

As midnight passed, it became clear that whoever won Florida would gain the 270 electoral votes needed to win the election. About 2 A.M., the networks predicted Bush the winner of Florida—and thus the presidency. However, as the final votes in Florida rolled in, Bush's lead shrank considerably and the state again became too close to call. By the next day, Al Gore had won the popular vote by more than 500,000 votes out of 105 million cast across the nation. Meanwhile, George Bush's razor-thin victory in Florida triggered an automatic recount.

DISPUTE RAGES IN FLORIDA In the weeks following the election, lawyers and spokespersons went to Florida to try to secure victory. The recount of the state's ballots gave Bush a win by just over 500 votes—but the battle for the presidency did not end there. The Gore campaign requested manual recounts in four mostly Democratic counties. Bush representatives opposed the manual recounts. James A. Baker III, former secretary of state and leader of the Bush team in Florida, argued that such recounts would raise the possibility of political mischief.



▶ More than a month after the votes were cast, Al Gore concedes the 2000 presidential election.

The Gore campaign requested manual recounts in four mostly Democratic counties. Bush representatives opposed the manual recounts. James A. Baker III, former secretary of state and leader of the Bush team in Florida, argued that such recounts would raise the possibility of political mischief.

THE BATTLE MOVES TO THE COURTS As the manual recounting began on November 12, the Republicans sued to stop the recounts; a month-long court fight followed. The battle ultimately reached the Supreme Court. On December 12, the court voted 5 to

4 to stop the recounts, thus awarding the Florida electoral votes and the presidency to Bush. The justices argued that manual recounts lacked uniform standards and, therefore, violated equal protection for voters. **G**

MAIN IDEA

Analyzing Issues

G How did the election of 2000 highlight both the weaknesses and the strengths of America's election process?

The Bush Administration

After the protests and legal actions subsided, George W. Bush was inaugurated as the 43rd president of the United States on January 20, 2001. Bush inherited several challenges, including a weakening national economy and an energy problem in California.

During his first months as president, Bush began to advance his political agenda. He declared plans to reform the federal role in education and to privatize Social Security. Bush also proposed a \$1.35 trillion tax cut, which became law in June 2001.

ANTITERRORIST MEASURES The political landscape changed dramatically after the September 11 terrorist attacks. The Bush administration, now with the overwhelming support of Congress and the American people, shifted its energy and attention to combating terrorism.

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. By the following month, Bush had created the Department of Homeland Security, a government body set up to coordinate national efforts to combat terrorism. In addition, the federal government increased its involvement in aviation security.

KEY PLAYER

GEORGE W. BUSH, 1946–

George W. Bush was born into a family steeped in politics. His father, George H. W. Bush, was the 41st president of the United States (1989–1993). However, George W. Bush did not immediately follow in his father's political footsteps. In 1975, he started an oil company in Midland, Texas. For a time, he also was part owner of the Texas Rangers baseball team.

Eventually, Bush was elected governor of Texas in 1994. Six years later, he became the 43rd president of the United States. He won reelection in 2004.

MAIN IDEA**Evaluating Leadership**

H How do you think the American people responded to Bush's antiterrorist measures?

The Bush Administration also began waging a war against terrorism. In October 2001, coalition forces led by the United States began bombing 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. (See the first issue in "Issues for the 21st Century," on page 1100.) Nonetheless, the Bush administration gained widespread public approval for the decisive steps taken. **H**

Bush also scored a major success when direct elections were held for the first time in Afghanistan in October 2004. The Afghan people elected interim president Hamid Karzai as their first democratically elected president. Although Afghanistan still faced many problems, the elections were considered a positive move toward resolving them.

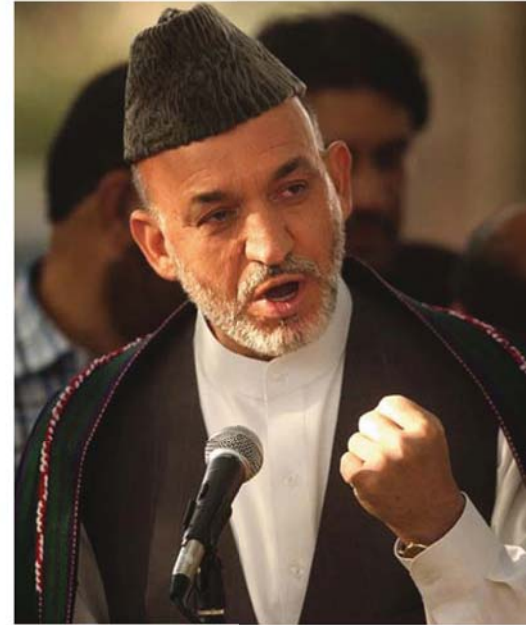
WAR AGAINST IRAQ In 2003, Bush expanded the war on terrorism to Iraq. Following the Persian Gulf War, Iraq had agreed to UN demands to stop the production of biological, chemical, and nuclear weapons. (However, throughout the 1990s, the leader of Iraq, Saddam Hussein, cooperated only partly with UN arms inspectors and eventually barred them from entering his country.)

After the September 11 attacks, Bush alleged that Hussein was supplying terrorists such as al-Qaeda with weapons of mass destruction (WMD) and called for renewed arms inspections in Iraq. The inspectors determined that Iraq had not resumed its WMD programs; but Hussein had again not cooperated fully with the inspection process. The United States and Great Britain then ended diplomacy with Iraq and invaded in March 2003. Within a month, Iraq's forces were defeated and Hussein had gone into hiding. U.S. forces then began an intensive search for WMD in Iraq. No trace of chemical or biological weaponry were found. In December 2003, U.S. forces found and captured Saddam Hussein. The former dictator was handed over to the Iraqis to stand trial for crimes against humanity. (See the second issue in "Issues for the 21st Century," on page 1104.) At his trial, Hussein was found guilty, and on December 30, 2006, the former dictator was hanged.

DOMESTIC AGENDA Meanwhile, on the home front, President Bush concentrated on education and the economy. 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 available for parents.

The economy posed a greater challenge, as corporate scandals, such as those related to such highly successful companies as Enron and WorldCom, rocked the nation. Congress responded to these corporate scandals by passing the Sarbanes-Oxley Act. This act established a regulatory board to oversee the accounting industry and its involvement with corporations. The scandals caused investors to lose faith in corporations, which had a negative effect on an already sluggish U.S. economy.

In 2003, Congress passed and Bush signed into law a \$350 billion tax cut. Bush claimed that the tax cut would help the sagging economy and create jobs. Democrats opposed the cuts, saying they would mostly benefit the rich. The Democrats were overruled, however, because the Republican Party had gained control of Congress in the 2002 election. Now the Republicans held 51 of 100 seats in the Senate and 229 of 435 seats in the House of Representatives.



▲ Hamid Karzai is victorious in Afghanistan's first direct presidential election.

Republicans Gain More Power

In the early 2000s, two more elections garnered even more power for the Republicans.

CALIFORNIA RECALL The economic problems that had rocked the country were especially acute in California. These problems, as well as a statewide electricity crisis, caused many Californians to lose confidence in Democratic governor Gray Davis. Davis was reelected in 2002 by a slim margin, but Davis opponents began petitioning for a recall vote. Eventually, they gathered enough signatures to force a recall election. On October 7, 2003, more than 55 percent of voters chose to recall Davis. In the California gubernatorial election that followed, the actor Arnold Schwarzenegger defeated 134 other candidates, capturing over 48 percent of the vote.

BUSH REELECTED IN 2004 Although President Bush had received much initial support for the war on terrorism that he began waging after the September 11 attacks, many Americans came to question his decision to invade Iraq. They were dismayed by the daily reports of violence and chaos in the country and the failure to find weapons of mass destruction there. In 2004, Bush was reelected in a presidential race that deeply divided the nation.

During Bush's second term, discontent about the war grew. At the same time, controversies arose over warrantless spying on American citizens and alleged misuses of government agencies for partisan political gain. The president was also criticized over his response to Hurricane Katrina. In the 2006 mid-term elections, Democrats regained control of the House and the Senate, and many were hopeful about their chances to win the White House in 2008.



▲ This family is among the thousands left homeless by Hurricane Katrina, which devastated the New Orleans region in August 2005.

SECTION 1

ASSESSMENT

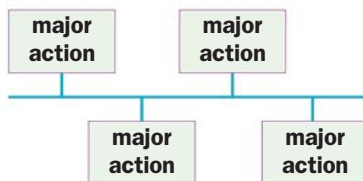
1. TERMS & NAMES For each term or name, write a sentence explaining its significance.

- William Jefferson Clinton
- North American Free Trade Agreement (NAFTA)
- Contract with America
- H. Ross Perot
- Al Gore
- Hillary Rodham Clinton
- Newt Gingrich
- George W. Bush

MAIN IDEA

2. TAKING NOTES

Create a time line of President Clinton's major actions during his two terms. Use a form such as the one below.



Explain whether each action was a success or a failure for Clinton.

CRITICAL THINKING

3. EVALUATING

What event or trend during the Clinton administration do you think will have the most lasting impact on the United States? Why?

4. ANALYZING MOTIVES

Why did the Gore campaign support manual recounts in Florida and the Bush campaign oppose them?

5. EVALUATING DECISIONS

Do you think President Bush's decision to invade Iraq was justified? Explain why or why not.

Think About:

- arms inspections in Iraq
- fear created by the September 11 attacks
- the search for WMD