

14 A New Global Age



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The Clinton years brought economic prosperity and forced political compromise.

Learning Objectives

By the end of this chapter, you should be able to:

- Discuss the major issues causing domestic unrest in the United States during the 1990s.
- Explain how the fall of the Soviet Union and end of the Cold War altered U.S. relations abroad.
- Discuss the ways that terrorism influenced life in the United States.
- Describe at least three ways that Bill Clinton's presidency was characterized by policies that aligned with the center rather than the left or right.
- Explain the lasting impact of economic deregulation.

- Describe the ways that American demographics were changed by the influx of new immigrants.

American Lives: Ruth Bader Ginsberg

Ruth Bader Ginsberg took her seat as the nation's second female associate justice of the Supreme Court on August 10, 1993. Considered an advocate for women's issues and known for often voting with the liberal side of the court, Ginsberg gained a popular reputation for speaking out on matters of social justice.

The nation was first introduced to her bold and outspoken voice in 1996 when she wrote the opinion in the case of the United States v. Virginia, holding that the state-funded Virginia Military Institute must accept women cadets. The ruling was a landmark decision, meaning that in addition to the case at hand it applied to future cases. As Ginsberg wrote, it applied to any law that "denies to women, simply because they are women, full citizenship stature—equal opportunity to aspire, achieve, participate in and contribute to society" (United States v. Virginia, 1996).

Ginsberg was born to working-class parents in Brooklyn, New York, on March 15, 1933. She finished first in her class at Cornell University in 1954 and married Martin Ginsberg the same year. After her husband's brief military service, both Ginsbergs attended Harvard Law, but Ruth transferred to Columbia Law School in New York after Martin obtained a job there. She earned her bachelor of laws degree in 1959.

Ginsberg's advocacy of women's issues emanated from her own experiences with gender discrimination. Although she graduated first in her class at Columbia Law, she had trouble accessing the same clerkships and postgraduate opportunities as her male counterparts. She ultimately succeeded through perseverance, and after clerking for a year for a federal judge she began to teach. In 1972 she returned to Columbia Law School and became its first female tenured professor.

Ginsberg's passion for women's issues led her to become involved with the Women's Rights Project and the American Civil Liberties Union. She argued six ACLU gender equality cases before the U.S. Supreme Court during her involvement with the organization and won five of them.

President Jimmy Carter appointed Ginsberg to the U.S. Court of Appeals for the District of Columbia in 1980, where she served until Bill Clinton nominated her for the high court in 1993. She earned easy Senate confirmation, with a vote of 96 to 3. As an associate justice, Ginsberg quickly became known as a part of the court's moderate-liberal block. In 1999, for work such as her ruling in United States v. Virginia, Ginsberg was awarded the America Bar Association's Thurgood Marshall Award for commitment to gender equality and civil rights.

In more than 20 years on the high court, she has become one of its most quoted and most publicly accessible justices. Some media outlets popularized her quotations, and one even dubbed her "Notorious R.B.G.," although apparently her staff had to explain to her the reference to rapper Notorious B.I.G. In 2014, after a court majority ruled that the government could not require a private corporation to provide insurance coverage for birth control if doing so conflicted with its religious beliefs, Ginsberg warned in her dissent, "The court, I fear, has ventured into a minefield"(as cited in Bassett, 2014). Although approaching 82, Ginsberg has indicated she has no intention of retiring.

For further thought:

1. Based on the qualities noted here, why do you think Bill Clinton chose Ruth Bader Ginsberg for a Supreme Court appointment?
2. What do you think led Ginsberg to advocate for women's issues and civil rights?



Ron Sachs/Consolidated News Pictures/Getty Images

As the second woman appointed to the Supreme Court, Ruth Bader Ginsberg has consistently supported women's issues and civil rights and earned reputation as a witty and approachable jurist.

14.1 After the Cold War

On November 9, 1989, thousands of citizens from both East and West Germany met on top of the Berlin Wall. They carried picks, shovels, and a variety of other instruments, which they used to begin chipping away at the wall that had separated the city since 1961. Their common act symbolized a reunification of the German nation, which formally occurred in 1990.

The Cold War was reaching an end. President George H. W. Bush, who began his term in 1988, and his national security advisor, Brent Scowcroft, sat together in the White House watching televised coverage of the wall coming down. Although they knew much work remained, democracy was on the move and people throughout the world were winning the fight to overthrow communism (Maynard, 2008).

Domestic Unrest in the Global Age

The reduction in a generation of Cold War tensions should have freed Bush to focus on domestic concerns, but it was not to be. Several factors contributed to Bush's lack of a domestic agenda. For one, he inherited a suffocating level of debt from the Reagan administration. Bush emphatically promised no new taxes, and yet the national debt was \$2.6 trillion when he entered office. With no significant new revenue sources, it was nearly impossible for Bush to formulate unique domestic policies. A second issue was that the power of the presidency itself was diminishing, as illustrated by the increasing public criticism of the office. According to one Bush biographer, "Presidential power was not what it had once been . . . the office was somewhat desiccated by the time he got there" (Parment, 2000, p. 9).

In addition, fearing the domination of one-party rule and the past mistakes it had caused, the American voter seemed to want a divided government so that there would be an almost paralytic level of checks and balances on the executive branch. Bush confronted an uncooperative Democratic Congress that constantly pushed him to increase revenue for important domestic programs such as education and the environment, while at the same time he fought with the right-wing faction of his own Republican Party that sought tougher policies on abortion and affirmative action than he was willing to embrace.

Urban Crisis and the War on Drugs



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Drugs and violence escalated in many cities. In 1990 homicide was the leading cause of death for African Americans aged 15 to 24.

indicated drug abuse to be the nation's number one problem.

Bush did give concerted effort to domestic concerns, most notably with the so-called **War on Drugs**. Inner cities were the locus of many of the problems linked to drug use, and beginning in Reagan's presidency, new laws tightened enforcement and enacted mandatory minimum sentences for drug violations and sentencing guidelines based on the weight and amount of drugs sold or discovered. According to the Drug Policy Alliance (2014), the number of people jailed for nonviolent drug offenses rose from 50,000 in 1980 to more than 400,000 in 1997.

Media portrayals of users of crack cocaine in the 1980s intensified public concern over illegal drug use and sparked Nancy Reagan's Just Say No campaign, which offered few tangible solutions to the growing problem. Concern continued to grow among the public until 64% polled in September 1989

The fallout from the illegal drug trade disproportionately affected urban African American communities. Troubling statistics highlighted these problems. By 1990 homicide was the leading cause of death for African American men and women between age 15 and 24 (Elliott, 2001). Many of the violent acts resulted from drug-related disputes. The new drug laws also put immense strain on these communities. By the mid-1990s nearly 1 in 4 African American men between age 20 and 29 were in prison, on probation, or on parole. Largely thanks to mandatory sentences and other drug laws, more than 600,000 African American men were in the correctional system, compared with just over 400,000 enrolled in college (LaFree, 1998).

The War on Drugs was central to Bush's domestic agenda. He appointed William J. Bennett as the nation's "drug czar" and leader of the new Office of National Drug Control Policy, and he convinced Congress to allocate \$8 billion for treatment and law enforcement. The domestic War on Drugs bled into international affairs in 1989 when Bush ordered an invasion of Panama to capture that country's dictator, General Manuel Antonio Noriega, for international drug trafficking.

Despite the effort, the War on Drugs had few positive results. Many illegal substances, including cocaine and heroin, remained plentiful and relatively inexpensive (Chepesiuk, 1999). Much in the same way that Prohibition in the early 20th century did little to stem alcohol consumption, the War on Drugs failed in part because it attacked the supply but did little to lessen the demand. Critics also argued that too much attention was given to punishment at the expense of prevention.

The Rodney King Riots

Social unrest, including drugs and violence, exacerbated racial tensions in U.S. cities. The bubbling cauldron erupted in 1991 with the brutal police beating of Rodney King, an African American motorist who led Los Angeles police on a lengthy chase while driving drunk. After the police apprehended him, King surrendered and lay down helpless on the ground. But even though he surrendered, police continued to beat him while a hidden onlooker videotaped the incident. When the news media broadcast footage of White police officers brutally

beating a defenseless African American man, it rekindled community anger and highlighted the continuing racial divide.

When the case went before a Los Angeles court, an all-White jury cleared the officers of all wrongdoing. The outcome enraged much of the Los Angeles community and set off a series of riots that left 55 dead, 2,000 wounded, and thousands arrested.

The irony was that in a nation committed to democracy, toleration for racial oppression persisted, leaving White America feeling guilty and Black America angry (McClain & Stewart, 2002). With the riots in full swing, King implored, "Can't we all just get along?" (as cited in McClain & Stewart, 2002, p. 26). Though in many ways a dubious spokesperson for this national conversation, King's heartfelt plea resonated throughout the 1990s. King's comment expressed a philosophy of homogenization, a striving to eliminate antagonism between races, ethnicities, and genders in an increasingly multicultural society (West, 2002). This view of society, an echo of Martin Luther King Jr.'s wish to be judged on the content of his heart and not the color of his skin, remained an elusive dream as the new millennium approached.



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Several days of fires and rioting followed the acquittal of police officers in the Rodney King beating.

Global Democracy

While the nation roiled from racial turmoil, Americans witnessed dramatic change as democratic movements spread across global communities. In South Africa the official policy of **apartheid** (which means "apartness") came to an end. Apartheid had kept the races separated from 1948 through 1994, and although there was one White person to every five Black South Africans, Black people were disfranchised and subjected to strict segregation in public accommodations and education.



Jeff Widener/Associated Press

Beijing demonstrators blocked the path of tanks on the Avenue of Internal Peace during the Tiananmen Square protests in May 1989.

The United States had helped bring freedom to Black South Africans through a series of economic and political sanctions. Under intense domestic and international pressure, F. W. de Klerk ended the apartheid policy when he came to power in 1989. In an important symbolic gesture, he released Nelson Mandela, leader of the African National Congress, a political freedom and liberation movement, from prison. Mandela was one of the world's longest serving political prisoners, and his freedom indicated a new era of democracy for South Africa. He went on to become the nation's first democratically elected president in 1994 (Lodge, 2006).

The push for democracy was not as successful in China. In May 1989 students at Tiananmen Square in Beijing protested their Communist government, pleading for democratic reforms. When the protesters' ranks reached 100,000, the Chinese government disbanded them with military force. Some protesters peacefully resisted by simply standing unarmed in front of the rolling tanks, and while the exact death toll

remains unknown, many thousands died in the largest prodemocracy demonstration in Chinese history (Zhang, Nathan, & Link., 2002).

The Bush administration failed to respond strongly to this massacre, largely because the president hoped to maintain a positive trading relationship with the Chinese. As historian Jeffrey A. Engel wrote, "At the crucial moment, when critics across the American political spectrum demanded a harsh response, he sought instead a quiet policy" (Bush & Engel, 2008, p. 461) consisting of relatively mild political and military sanctions. A previous American minister to China, Bush noted in his diary that the situation was "highly complex, yet I am

determined to try to preserve this relationship—[and to] cool the rhetoric. . . . I take this relationship *very personally*, and I want to handle it that way” (as cited in Bush & Engel, 2008, p. 461).

The End of the Soviet Union

Despite a 70-year history of political repression and Communist rule, the Soviet Union became the next place in the world for democratic reforms. In early summer 1991 Soviet president Mikhail Gorbachev visited Washington, D.C., where on July 31 he and Bush signed the Strategic Arms Reduction Treaty, reducing nuclear weapons and securing America’s promise of assistance to help restructure the Soviet economy.

Gorbachev offered fresh perspective on the monumental changes taking place in his country during a speech at Stanford University on May 9, 1992. He declared, “The Cold War is now behind us. Let us not wrangle over who won it” (as cited in Nuechterlein, 1997, p. 171). He claimed to have reigned over the only bloodless revolution in Russian history and hoped that the now independent nations of the former Soviet Union would be transformed into “a modern law-based state” (as cited in Stanford News Service, 1992). It was clear, however, that the West had prevailed in the 40-year conflict between capitalism and communism.

This staggering transformation was a long time coming. From its beginnings as the first nation in the world founded on communism, the Soviet Union rejected Christianity in favor of secular Communist ideology. Once that union dissolved, believers were once again free to express their religious traditions. The Russian Orthodox Church experienced a resurgence in activity, and other forms of the Orthodox Church gained ground in the 15 new republics released from Soviet control. The republics also moved to establish their own connections to market economies and reestablish independent governments.

While the demise of the Soviet Union might have occurred regardless of American policy, increased U.S. defense spending during the Cold War certainly hastened its downward spiral. The nuclear arms race taxed Soviet resources, while other conflicts also forced the Soviets to spend beyond their means. In particular, U.S. aid to the mujahideen in Afghanistan following a Soviet invasion in 1979 had a profound impact on the Afghans’ unlikely victory over Soviet forces. During the 9-year-long Afghan War, the Soviet Union committed massive amounts of resources to a losing cause. With protests raging in the homeland, the eventual withdrawal of military forces in 1989 marked an embarrassing defeat for the crumbling empire.

Following the failure in Afghanistan, the end came swiftly. In 1990 the Soviet Communist Party gave up its claim to monopoly power. Within a matter of weeks, 15 of the former Iron Curtain nations (including Poland, Hungary, Bulgaria, Romania, East Germany, and Czechoslovakia) held their first independent elections and began making claims of national sovereignty. The formal end came in 1991 when the republics of the Ukraine, Russia, and Belarus officially dissolved the Soviet Union through the **Minsk Agreement** (also known as the Belavezha Accords).

On December 25, 1991, Gorbachev resigned as the president of the Soviet Union, ceding his remaining power, as well as the numerical launch codes for 27,000 nuclear weapons, to Boris Yeltsin, the new president of the post-Soviet Russia. Originally a supporter of Gorbachev, Yeltsin came to oppose his policies and gained election as chair of the Russian Supreme Soviet (the Russian legislature) in May 1990. When Gorbachev resigned, Yeltsin remained in office as president of the new Russian federation. At 7:35 p.m. on Christmas evening, workers at the Kremlin lowered the red hammer-and-sickle flag and replaced it with the red, white, and blue Russian flag. The Cold War was over, yet the nuclear stockpiles remained (Dunlop, 1993).

The Gulf War

The United States did not remain at peace for long, however. On August 1, 1990, Saddam Hussein, the president of Iraq, directed his army to invade the small neighboring country of Kuwait. Before this aggression, the United States considered Iraq an ally, though an unofficial and uneasy one, in part because it had been at war with Iran. The old adage that “the enemy of my enemy is my friend” applied, and throughout the Iran–Iraq War in the 1980s, the United States supported Iraq with nearly a half billion dollars of military technology.

The United Nations had helped to broker a peace treaty to end the Iran–Iraq War in 1988. When it was over, Hussein sent his forces into Kuwait thinking that few world leaders would care. He was angry that increased oil

production in Kuwait would depress the price of oil, and especially reduce the income his nation earned from oil sales. He also accused Kuwait of stealing Iraqi oil by using horizontal (slant) drilling techniques.

He greatly misjudged the international reaction, which was unified in its opposition. Restoring stability in the region that produced much of the world's oil made intervention even more likely and necessary. His second miscalculation was that a coalition of nations would never attack his soldiers who occupied Kuwait. In July 1990 meeting with April C. Glaspie, the American ambassador to Iraq, Hussein declared, "Yours is a society which cannot accept 10,000 dead in one battle" (as cited in *This Aggression*, 1991). Hussein discounted Bush's resolve. As a World War II veteran, Bush viewed Iraq's act of aggression as an act of war. The president responded directly and emphatically to Hussein: "This will not stand, this aggression against Kuwait" (as cited in Smith, 1992, p. 89).

Speaking to the American people, Bush declared, "We stand today at a unique and extraordinary moment. The crisis in the Persian Gulf, as grave as it is, also offers a rare opportunity to move toward an historical period of cooperation" (as cited in Buhite, 2003, p. 293). Bush carefully gathered a broad international coalition unified in its resolve to confront Hussein. For the first time since the Vietnam War, a joint resolution of Congress authorized the use of military force. Multiple members of the United Nations, including the Russians, stood with the United States in the conflict. A unanimous UN Security Council resolution further supported the action.

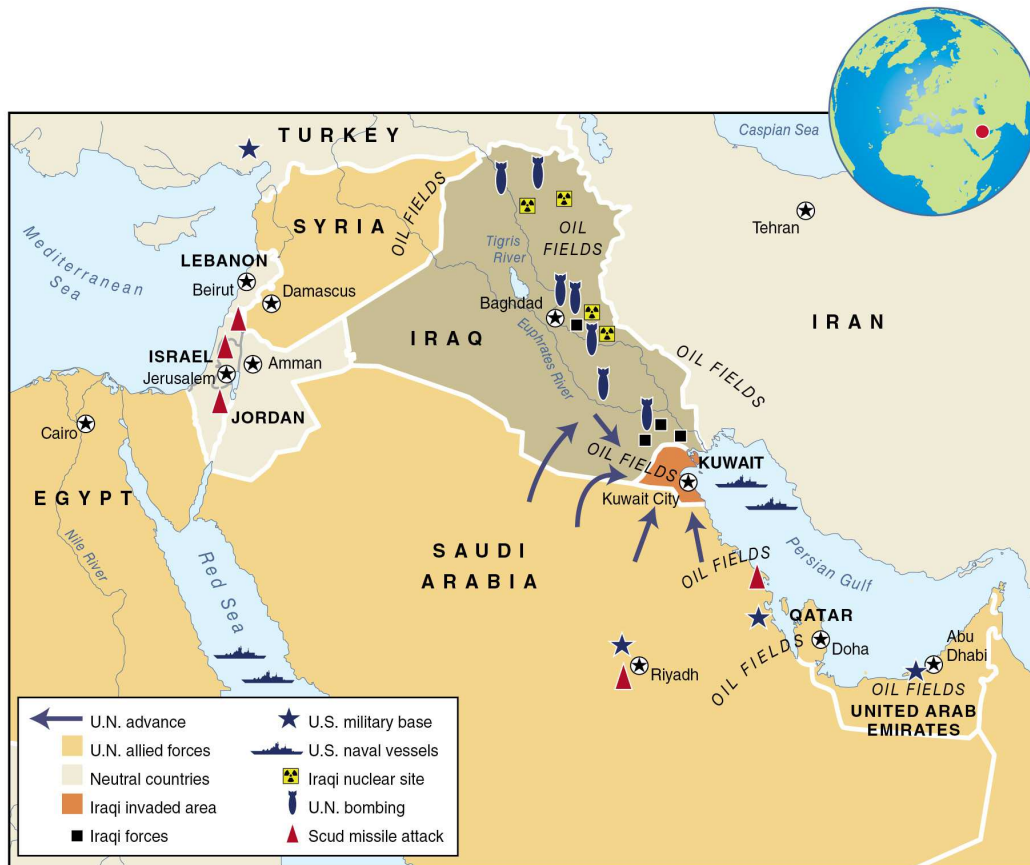
To Bush, this unprecedented group of global allies cut across traditional Cold War boundaries and offered the promise of a new world order. He said:

Today, that new world is struggling to be born, a world quite different than the one we've known. A world where the rule of law supplants the rule of the jungle. A world in which nations recognize the shared responsibilities of freedom and justice. A world where the strong respect the rights of the weak. (Bush & McGrath, 2003, p. 93)

With that inspiring rhetoric, the United States went to war with more than a half million American troops, supported by another 150,000 from Britain, France, Egypt, and Saudi Arabia (see Figure 14.1). U.S. general Norman Schwarzkopf led the attack, called **Desert Storm**, beginning January 15, 1991, and achieved a decisive and quick victory.

Figure 14.1: The Gulf War

The short Gulf War brought together an unprecedented group of global allies to evict the Iraqis from Kuwait.



By February 28 Iraq surrendered and withdrew from Kuwait, and while some argued that the United States should continue to march into Iraq itself, Bush, concerned about regional stability, agreed with his advisors that this was not the wisest course of action. Though Hussein signed a peace treaty, he almost immediately began evasive tactics with international inspectors seeking to ensure he was not building unauthorized nuclear weapons. This began a decade-long quest to determine if Iraq possessed weapons of mass destruction. The controversy still raged when Bush's son, George W. Bush, became president in 2001.

14.2 Prosperity and Discontent in the 1990s

Americans in the 1990s entered an age of expectation spurred on by the end of the Cold War and the “victory” of the United States as the world’s dominant superpower. The decade began with the nation in recession, but by decade’s end a booming economy fed a surging stock market. New technologies emerged to enable the development of the Internet, initiating a gold rush of investors and entrepreneurs seeking to get rich in the new digital environment. Underneath this enthusiasm lurked a growing specter that, for some, tempered this carefree era. Terrorism, cultural conflict, Y2K fears, political sex scandals, and presidential impeachment kept many Americans restless and uneasy as the millennium approached.

The 1992 Election

George H. W. Bush entered the 1992 election as the incumbent, but he had several strikes against him. At the time of the election the nation stood in the midst of a recession. Debts and rapidly increasing health care costs led many companies to declare bankruptcy. Against the advice of several advisors, Bush agreed to a compromise budget that combined Democratic-supported tax increases with spending cuts. He firmly believed that it was the only means to deal with a growing budget deficit, but he had violated his own staunch “read my lips” promise of no new taxes, and in the hands of his Republican detractors, this became a powerful campaign weapon against him (Popadiuk, 2009).

Bush’s stance on health care reform also led some Republicans to question his leadership. As early as February 1992, Bush suggested improving health insurance, changing malpractice laws, and implementing tax credits to help poorer Americans afford coverage. Though conservatives balked, a large majority of voters ranked health care issues as an important factor in the presidential campaign (Bowles & Dawson, 2003).

This debate offered a window of opportunity for the Democratic challenger, William Jefferson “Bill” Clinton. That summer, Clinton made health care reform a cornerstone of his election platform. His focus was on universal coverage, financed through taxes and sweeping cost-containment policies. Although Bush’s approval rating soared after the brief Gulf War, Clinton’s victory partly resulted from his stronger position on health care reform. A third-party challenge from Texas multimillionaire Ross Perot also helped swing the election for Clinton (see Table 14.1).

Table 14.1: The 1992 election

Vote Category	Bill Clinton (D)	George H. W. Bush (R)	Ross Perot (I)
Electoral vote	370	168	0
Popular vote	44,909,806	39,104,550	19,743,821
Popular vote %	43%	37.5%	18.9%

Seeking the Center

Clinton took office amid the new world order that Bush had described. But historian A. J. Bacevich (2002) concluded that Clinton had an essential ability that Bush lacked: “He was a careful student of the forces transforming American society and the world at large” (p. 89), including expanding global economic ties and the fast rise of technology. On top of this, Clinton possessed charisma, energy, intellect, and a willingness to engage others who strongly held opposing beliefs. He was able to work efficiently at times with even those diametrically opposed to his ideals.

Clinton’s global perspective formed the basis for his domestic, defense, and foreign policy initiatives. Even on the campaign trail, he argued “foreign and domestic policy are inseparable in today’s world” (as cited in Shue & Rodin, 2007, p. 95). Linking the two dimensions became an important theme of his presidency, and in 1993 he reemphasized this essential wisdom by stating, “America, like it or not, is part of a world that is increasingly more interdependent” (Clinton, 1994, p. 2038). Speaking before a group of Coast Guard sailors, for instance, he argued that trade on the world market was a necessary component of economic success and key to making allies among the nations of the world. In the new world order, America could no longer be immune from change.

Don't Ask, Don't Tell

One of Clinton's first acts was to partially strike down a rule banning homosexuals from military service. Despite his good intentions, Clinton's approach earned criticism from all sides when he announced on July 19, 1993, that **don't ask, don't tell** was the new policy for the armed services. This meant that gay and lesbian service members could remain in the military as long as they did not reveal their sexual orientation (Levy, 2002). Here, as in many policy matters, Clinton sought a middle ground on a controversial issue. In this case his response to an issue that long perplexed the nation angered liberal Democrats who sought to allow gays and lesbians to serve openly, as well as conservative Republicans who opposed homosexual enlistment.

Deficit Reduction

In the early 1990s the federal deficit soared to astronomical levels. Many economists warned of a catastrophe in the stock market or banking industry. To rein in the deficit, Clinton pushed Congress to pass the Omnibus Budget Reconciliation Act of 1993, also known as the **Deficit Reduction Act**.

Often called "root canal economics" because the plan cut spending and increased taxes, it succeeded in igniting an economic surge and balancing the federal budget (Krueger, 2001). By 1998 the nation enjoyed a budget surplus, and Clinton faced a choice that very few of his predecessors ever had to consider—where to spend the extra funds. Clinton allocated the surpluses to education, reducing the national debt, and protecting Social Security.

Health Care Reform

Although some sectors of the nation prospered, soaring health care costs formed a roadblock to prosperity, especially for millions of uninsured Americans. Debate encompassed a range of solutions. Some favored a move toward universal coverage; others were skeptical that the government could design a system to protect physicians' autonomy in making professional judgments affecting their patients. Despite disagreements on methods, health care reform appeared inevitable in the early 1990s because polls indicated that two thirds of all Americans supported a national health insurance program financed by taxes.

Health care reformers promoted four key benefits of reform: security for the middle class, coverage for millions of uninsured people, reduction in the cost of health care, and the resulting control this would add to containing the federal budget deficit. In September 1993 Clinton made an eagerly anticipated speech on health care to Congress, and many believed that the decades-long quest for universal coverage would soon be a reality.

The president appointed First Lady Hillary Clinton to lead a task force on the issue. After months of study and deliberation, her health care task force produced a report of more than 1,000 pages, outlining a detailed plan that would provide health care for all Americans. Under the plan U.S. citizens would be required to have health care coverage. Funded partly through payroll taxes on the employed and managed through close control of major health care providers and costs, the plan purported to solve the health care crisis. Government funds would pay the costs of enrolling the unemployed in a health maintenance organization.



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As First Lady, Hillary Clinton used her legal training and experience to focus on a number of issues, most notably the controversial issue of health care reform.

Opposition emerged almost as soon as the plan was announced. Conservative political analyst William Kristol rallied Republicans, libertarians, the insurance industry, and some physicians against the plan. He and others argued that the nation did not have a health care crisis, and they decried multiple problems with the plan, including employer mandates. They claimed that forcing all Americans to buy health care was a violation of free-market principles and amounted to a government takeover that denied patient choice. Criticism also surrounded Hillary Clinton's involvement in preparing the report and the secret nature of the task force's negotiations. Amid

the controversy, the Democrats could not muster enough votes in the Senate to even consider a watered down version of the bill, so the measure failed.

Staunch Clinton supporters blamed partisan politics for the failure of health care reform, but more likely a combination of factors led to its demise. A failure to reach a compromise between those who sought single-payer reform and those favoring a market-oriented and managed-competition reform also stalled progress. Paul Starr, Clinton's senior advisor for the health care plan, believed it was "also a story of strategic miscalculation on the part of the president and those of us who advised him" (as cited in Mayes, 2004, p. 128). Democrats pushed the dreams of reform too far for the moment, and the health care reform issues were not solved during Clinton's presidency.

Terrorism at Home

Also complicating the 1990s was the growing specter of international terrorism. In early 1993 few people in the United States had heard the name Osama bin Laden. Born on March 10, 1957, he came from a wealthy family in Saudi Arabia, where his father was a successful businessman with links to the Saudi royal family. As he completed a business degree at King Abdul Aziz University, Bin Laden began to advocate the restoration of **sharia law** (or sacred Islamic law) while opposing all forms of communism, socialism, and democracy.

A part of the mujahideen the United States funded during the Soviet occupation of Afghanistan in the late 1980s, Bin Laden gained a wide reputation and following as a **jihadist**, or holy fighter. In retrospect, funding the Soviets' opponents turned out to be extremely short-sighted for the United States; in 1988, as the Afghan-Soviet War was nearing its end, Bin Laden founded **al Qaeda** as an Islamic extremist organization with a mission to wage a violent jihad (or holy war) to achieve his political ends, which eventually included bringing harm or terror to the United States (Bergen, 2006).

The World Trade Center—1993

Slightly more than a month into Clinton's presidency, foreign terrorists attacked on U.S. soil for the first time. On February 26, 1993, a van explosion in the garage of New York City's World Trade Center killed 6 and wounded more than 1,000. Authorities captured the attackers within a week; however, the leader of the group, Ramzi Ahmed Yousef, escaped to Pakistan. He contacted news media and declared he was one of Bin Laden's top military lieutenants. The FBI later arrested Yousef in Pakistan, but Americans' experiences with world terrorism were just beginning (Katz, 2002). Clinton declared finding Bin Laden to be a national priority.

Oklahoma City—1995

By mid-decade terrorism originated from within the United States as well. On April 19, 1995, a truck filled with explosives detonated in front of the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma. The bombing claimed the lives of 168 people, 19 of whom were children in the facility's day care center. Another 680 were injured, and damage to buildings spread across a 16-block radius. The primary perpetrator, Timothy McVeigh, was an American militia movement sympathizer and Gulf War veteran who perceived his actions to be a justified attack against the government.

Exploring History through Film: Build up to the Oklahoma City Bombing

Timothy McVeigh and his accomplice Terry Nichols used the federal governments' intervention at Ruby Ridge and at the Branch Davidian compound at Waco, Texas as pretext for the bombing in Oklahoma City. McVeigh, a neo-Nazi, was disgusted at what he viewed to be an overreach by federal government in dealing with both situations.

McVeigh and coconspirator Terry Nichols claimed their actions were in retaliation for FBI and government actions against a separatist militant family at Ruby Ridge, Idaho, in 1992 and a militaristic religious commune in Waco, Texas, the following year. At Ruby Ridge a confrontation between federal marshals and FBI and the Randy Weaver family resulted in the shooting deaths of three people: Weaver's son and wife and a marshal. The Waco incident involved a 51-day standoff between a religious group, the Branch Davidians; agents from the federal Alcohol,

Build up to the Oklahoma City Bombing**From Title:** *Nazi America: A Secret History*

(https://fod.infobase.com/PortalPlaylists.aspx?wID=100753&xtid=43096)

Critical Thinking Questions

- McVeigh's attack is classified by experts as an act of domestic terrorism. Do you agree with this assessment? Explain your answer.

Tobacco and Firearms agency; the FBI; and Texas law enforcement resulted in 76 deaths, including Davidian leader David Koresh.

Nichols was found guilty of conspiring to build a weapon of mass destruction and sentenced to life imprisonment in 1998. McVeigh's 1997 conviction on 11 counts of murder and conspiracy resulted in the death penalty, and on June 11, 2001, he became the first federal prisoner to be executed in 38 years (Wright, 2007).

The Oklahoma City bombing and World Trade Center attacks shook American confidence and alerted the nation to the dangers from both domestic and international terrorists. In the wake of Oklahoma City, Congress enacted legislation to allow the death penalty for terrorists and to provide special relief and compensation to victims and their families. Both events led to increased security at federal facilities and many public buildings.

Foreign Policy and Domestic**Compromise**

Clinton also waded into multiple long-standing international conflicts, but he found many to be too complicated for a simple solution. The clear ideological divide of the Cold War in the past was gone, and in the 1990s it became difficult to formulate a well-defined foreign policy plan that balanced U.S. economic and strategic interests with humanitarian needs. Protection of human rights abroad drove both military and nongovernmental agencies to act. Organizations formed to protect women's rights, provide AIDS treatment, and support the rights of indigenous populations around the globe. At home, reform of major domestic programs, including the nation's welfare system, occupied a significant amount of time and energy.

Bosnia and Kosovo

One pressing global concern emerged in Yugoslavia in 1992, where tension between bitterly divided Serb and Croat ethnic groups escalated into a civil war, dividing the country into multiple provinces, including Serbia, Croatia, Bosnia, Macedonia, and Slovenia. Ethnic and tribal divisions led several groups to seek the annihilation of others through **ethnic cleansing**. Main targets were Bosnian Muslims and Bosnian Croats, who faced murder, sexual assault, beatings, and torture.

By the mid-1990s nearly a quarter million people had died, and many looked to the United States for support to end what increasingly looked like genocide. Some in Congress remembered the quagmire of the Vietnam War and worried that the situation was unwinnable. Despite opposition, in 1995 Clinton agreed to end the conflict with the aid of NATO, which initiated a bombing campaign against Serbian military bases. The bombing raids were successful in bringing the leaders to the negotiating table and resulted in the **Dayton Peace Accords**, which established separate Bosnian, Serbian, and Croatian nations (see Figure 14.2). Clinton then sent 20,000 American troops into Bosnia as peacekeepers (Sells, 1998).

Figure 14.2: The former Yugoslavia

The breakup of Yugoslavia led to the formation of several new nations, largely along ethnic lines.



Unrest persisted in the region, however. In the Serbian province of Kosovo, Albanian Muslims, representing 90% of the population, continued fighting for independence. Slobodan Milosevic, the Serbian president, believed strongly that Kosovo belonged to Serbia, and he used his military to “cleanse” the area of the problem. His fighting force displaced 863,000 Albanian Muslims and killed another 10,000 who refused to leave.

Initially, the United States hesitated to get further involved despite the growing worldwide attention but eventually backed more NATO bombing strikes. The attacks lasted 45 days, during which time the Russians withdrew support for the Serbs. In June 1999 Milosevic accepted a peace agreement requiring free and open elections. One year later Serbian voters removed him from office. He was tried before a war crimes tribunal established by the United Nations but died before a verdict could be reached.

From outward appearances, the Kosovo war was relatively insignificant (Bacevich, 2001). Serbia held little global economic or political power, and NATO military might proved vastly superior. Milosevic capitulated; the allies suffered few casualties; and the bombing campaign lasted only a few months.

But Kosovo initiated a new era of warfare and served as a glimpse into how wars would be fought into the next millennium. For example, a B-2 Stealth Bomber took off from its base in Missouri, flew to Serbia, dropped bombs, and returned back to the United States. This 30-hour nonstop mission covered more than 10,000 miles. It demonstrated great potential for military actions to present little risk to American lives—but sometimes so-called precision bombing went horribly awry, such as when this plane accidentally bombed the Chinese embassy in Belgrade, the capital of Serbia.

Welfare Reform

International affairs and other issues led many Americans to worry that the nation was moving in the wrong direction. This concern translated into Republican success at the ballot box in the 1994 midterm elections. The

Republicans gained control of the House of Representatives after 41 years of Democratic control. Newt Gingrich became the new Speaker of the House. Proclaiming a “Republican Revolution,” Gingrich used his aggressive style to drive a conservative agenda and push back against Clinton’s policies.

Gingrich’s rise to national prominence included the **Contract with America**, a political agenda that promised lower taxes, reductions in the size of government, loosened environmental regulations, reform of the welfare system, and an end to affirmative action. With the power of a Republican Congress behind him, Gingrich struggled with Democrats, eventually agreeing on a balanced budget and a capital gains tax cut. When a sex scandal threatened the Clinton presidency, Gingrich was the most vocal advocate of impeaching Clinton and removing him from office.

In order to pursue his domestic and foreign policy agenda, the president needed to walk a center line, seeking support from both sides of the aisle in Congress. Despite the political division, Clinton placed his own stamp upon revising important social programs. His willingness to compromise led to a new **Welfare to Work** program, which balanced a need to reform the entire welfare system, which sometimes trapped individuals in cycles of poverty, with Republican demands that only those working should receive aid (Worthington, 1995).

The original Aid to Families with Dependent Children program was at first aimed at providing assistance to widows and their children, and it was stretched by the need for more general poverty relief. Requiring states to form programs partially funded with federal money, the system worked better in some places than others. In Wisconsin a healthy benefit system led to charges that welfare recipients moved to the state expressly to increase their income. A family of three in Wisconsin received \$517 per month in 1995, compared with a mere \$288 in Indiana.

The education opportunities and employment assistance offered under AFDC and related federal grant programs were also insufficient to help recipients leave welfare rolls. In West Virginia, for example, once AFDC recipients were employed full time at the minimum wage, the system cut off day care assistance, forcing some to choose between work and public assistance.

In 1996 landmark welfare reform legislation, the Personal Responsibility and Work Opportunity Act fundamentally shifted the nation’s aid to the poor, adding a workforce development component to encourage employment. Clinton redefined welfare as an obligation for the recipient to work and an obligation for the government to help the unemployed find meaningful jobs by providing training, child care, and assistance with job searching. In some states when work in the private sector was not available for citizens, public opportunities could be created (Cisneros, 1995).

The new welfare system resulting from the law, Temporary Assistance for Needy Families, became a compromise between Democrats and Republicans. In place of AFDC’s classification as an entitlement program (such as Social Security), it constructed a temporary system in which recipients can receive benefits for no more than 60 months in their lifetime. Within 2 months of their first payment, those able must enroll in a job-training program or begin working.

All states adopted the new strategy of reducing those on welfare and moving them toward a self-sufficient status, although some have placed more stringent limitations on the work requirements or the length of benefit eligibility. The law’s implementation saw the number of welfare recipients drop dramatically but made little impact on the number of Americans living below the poverty level (Ambrosino, 2008). Some poor families simply dropped off the welfare rolls, and local food banks and charities reported a sharp increase in demand for assistance after the law’s implementation.

Budget Impasse

Disputes between the Republican-controlled Congress and Clinton deeply affected the ability to pass a budget acceptable to both sides. As House Speaker, Gingrich had promised to reduce government spending, including funding for Medicaid and Medicare, but Clinton’s initiatives in health care, education, and environmental protection demanded a spending increase.

The problem escalated to crisis when Congress threatened to refuse to raise the nation’s debt limit. Without the ability to borrow funds, the U.S. Treasury faced the choice of suspending spending on parts of government or

placing the nation in default on debts owed to domestic and international investors. With neither side willing to compromise, payments to parts of the government stopped. The first government shutdown began on November 14, 1995, after Congress failed to pass the budget bill. For 6 days, while negotiations continued, all nonessential employees were sent home.

Government services restarted, and employees returned to work after Clinton and Congress agreed on a plan to balance the federal budget within 7 years. Budget negotiations resumed but again quickly failed to reach an agreement, and the government was once again shut down on December 15. Remaining closed this time for 22 days while the president and Congress negotiated, the standoff finally resulted in a budget deal that aimed to balance the federal budget in 7 years through a combination of moderate spending cuts and tax increases.

The Republicans received much public blame for the crisis but managed to hold on to a majority in Congress. The compromise forced Clinton to move closer to the Republican position on taxes and spending, leading him to declare in his January 1996 State of the Union address, "The era of big government is over" (as cited in McInerney and & Israel, 2013).

Clinton Impeachment

During the economic enthusiasm of the mid-1990s and the ultimate success in Bosnia and Kosovo came what one Clinton biographer called the "seeds of disaster" (Harris, 2006, p. 222). In the summer of 1995, White House intern Monica Lewinsky and the president began a shadowy flirtation that lasted for several months, escalating after the government shutdown left the White House virtually empty. Lewinsky, as the chief of staff's unpaid intern, began answering phones in the West Wing and found a rare opportunity to be alone with the president. As soon as Clinton stepped into an empty office, she followed, and an affair began.

Three years later, Kenneth Starr, a federal prosecutor who had spent \$30 million and 4 years investigating earlier alleged Clinton improprieties, learned of audiotapes in which Lewinsky admitted having sex with the president. Lewinsky had confided in a coworker, Linda Tripp, about the affair, and Tripp secretly recorded the telephone conversations. Starr obtained Tripp's tapes but kept them secret while Clinton and Lewinsky testified under oath that they had not had sexual relations. Starr accused the president of committing perjury, and a grand jury recommended that he be impeached. In a vote along party lines, the Republican-controlled House passed articles of **impeachment** against Clinton for lying under oath (Gormley, 2010).

In a trial before the Democratic-controlled Senate in January 1999, the president was cleared of all charges. Polls demonstrated that only about a third of the U.S. public supported the impeachment. Many more viewed the events as harmful to the nation and blamed the Republicans for pursuing the matter. Although his ratings on honesty suffered, Clinton's overall job approval ratings actually rose during the Lewinsky scandal and subsequent impeachment trial (Gallup & Newport, 2006). Clinton remained in office, admitted his improper relationship, and worked to regain the trust of the American people and restore his image for the remaining 2 years of his presidency.



© Reuters/Corbis

Former White House intern Monica Lewinsky found herself at the center of a scandal that resulted in President Bill Clinton's impeachment in 1999.

14.3 Economics and Culture at Century's End

Clinton's popularity in the face of scandal and impeachment resulted in part from the nation's continuing economic prosperity. After a brief recession during George H. W. Bush's term, the nation enjoyed declining unemployment, job growth, and general economic expansion throughout the rest of the 1990s. Although both Reagan and Bush left office with large budget deficits, Clinton not only balanced the budget but also produced a budget surplus. By the time he left office, the unemployment rate, driven in part by new technologies, was below 4%. Economic prosperity also served as an important factor attracting new immigrants to the United States.

New Cultural Horizon

The Clinton years saw significant demographic shifts in the nation. The patterns of immigration, which had significantly shaped the makeup of the United States in the 19th century, did so again in the late 20th century.

One of the main enablers of this new immigration boom was Lyndon Johnson's Immigration and Nationality Act of 1965, which replaced the 1924 National Origins Act. Johnson had revised the old Eurocentric immigration policy because it virtually prohibited immigration from Asia at a time when the United States was fighting wars in Korea and Vietnam. The 1965 act increased the overall quota by 30,000 (to 184,000) and simply stated that not more than 20,000 could arrive from a single nation. Eastern Europeans and Asians, in particular, capitalized on this new policy (Schaefer, 2008).

This 1965 act remained in place until the **Immigration Act of 1990** raised the annual immigration cap to 675,000 per year. It prioritized reunifying families and also immigration for work-related reasons. In addition, the country accepted refugees and those who came to its shores seeking political asylum without counting them toward the cap. As a result, between 1992 and 1998, the average number of immigrants totaled 825,000 per year (Powell, 2005).

The New Immigrants

Post-1965 immigration dramatically changed the makeup of the American population by the end of the century. Between 1965 and 2000 nearly 24 million immigrants settled in the United States. Almost half came from Latin America and the Caribbean. Globalization and the interconnections of international economies pushed many to seek opportunities in the United States, and a growing number came without legal documentation.

For the first time, the gender balance also shifted so that more women than men arrived in the United States. The decline of manufacturing jobs during the 1970s and 1980s shifted opportunities toward the service sector, which traditionally supported female employment.

One 33-year-old woman from Jalisco, Mexico, recalled coming as a tourist in 1986 and never leaving, staying to work in multiple service-related jobs. Another, Rosa Maria Urbina, crossed the Rio Grande to work as a housekeeper in El Paso, Texas. For Urbina it was a difficult but necessary economic decision; a lack of money led her to leave her three children in a Mexican orphanage. Crossing the border illegally was the only means she had to earn enough to reunite her family (Barkan, 1996). In addition to economic factors, many Central Americans fled north to escape civil wars, and Haitians sought refuge from that nation's repressive dictators.

Another third of these **new immigrants** hailed from Asia, and smaller numbers came from Africa and the Middle East. Some, including the Hmong from Laos and the Eritreans from Ethiopia, fled political turmoil and entered the United States as political refugees.

The Hmong faced persecution following the Vietnam War for their alliance with the U.S. military. Kim Yang, a Hmong woman who came to America as a child, recalled that her father sought refugee status because he believed "there would be houses to live in, more jobs to do, and maybe there would be more freedom." Yang realized her father's ambitions. She graduated high school in the United States and then studied computer programming. She eventually left the workforce to focus her attention at home with her husband and five children (Yang, 2010).

Many highly educated Asian immigrants came seeking professional employment as physicians, engineers, and college professors. Others were poor, illiterate, and worked at jobs in the service sector such as housekeeping

and landscaping (Grieco et al., 2012).

Multiculturalism and a New Ethnic Nation

The new immigrants changed the cultural, religious, and racial makeup of the United States. Racial struggles across the White–Black color line shifted to include Latinos, Asians, Muslims, and Buddhists. Celebration of diverse cultures, or **multiculturalism**, raised new issues about the place of immigrants in society.

Advocates of multiculturalism believe it is essential to respect immigrants' cultures and ethnic traditions and that the diversification of American society is a positive influence. This will mean making important adjustments to embrace a new America where racial and ethnic minorities make up half of the population. As Table 14.2 shows, the Census Bureau predicts that the African American, Latino, and Asian American populations will continue to expand during the 21st century. While Whites accounted for almost 70% of the U.S. population in 2000, by midcentury half of Americans will be non-White, with Latinos accounting for about one fourth of the nation's residents.

Table 14.2: Proportion of ethnic minority groups

Ethnic Group	2000 census	2006 American Community Survey	Estimate for 2050
African Americans	12.7%	12.4%	14.6%
Native Americans	1.5%	0.8%	1.1%
Asian Americans	3.8%	4.4%	8.0%

Ethnic Group	2000 census	2006 American Community Survey	Estimate for 2050
Hispanics	12.6%	14.8%	24.4%

Source: Organista, Marin, & Chun, 2010.

Struggles for Equality Continue

Ethnic diversity only added a new dimension to the continuing struggle for social and economic equality in the late 20th century. Some immigrant groups, especially Asians (including well-educated Japanese, Korean, Indians, as well as Chinese and Southeast Asians) experienced considerable success and economic and social mobility, earning advanced degrees and embarking on professional careers. For other ethnic groups and poor Whites, the 1990s and the new century meant prolonged poverty and little economic change.

Latino communities remained among the poorest in the nation, largely because Latinos toiled in low-wage service sector jobs and farm labor. Despite some gains during the civil rights movement, the Latino poverty rate remained persistently high as communities swelled with even more legal and undocumented immigrants from Mexico and Central America.

African American communities saw an influx of well-educated immigrants from African nations, the Black Caribbean, and South America who filled professional occupations in a manner similar to Asians, but most African Americans struggled economically. The African American poverty rate, hovering near 25%, surpassed that of Whites, Latinos, and Asians. In both the North and South, large numbers of African Americans lived in poor inner-city neighborhoods. Thanks to the urban-suburban divide, city school systems catered largely to all-minority pupils and suffered from declining resources. By 2004 as many as 73% of African American and 77% of Latino children studied in majority non-White urban schools (Alonso, Anderson, Su, & Theoharis, 2009).

The Dot-Com Bubble

One of the drivers of the “new economy” in the 1990s was the Internet. The Internet began in the 1960s when the U.S. Defense Department’s Advanced Research Projects Agency (ARPA) explored a way to link the limited number of mainframe computers throughout the nation to share resources at scientific laboratories and also provide a flexible way to communicate in the event of a nuclear war. As the personal computer became affordable in the late 1970s and the 1980s and the speed of microprocessors and the capacity of storage space increased, the ARPAnet (later the Internet) and the computer converged.

By the 1990s faster connection speeds and graphical Internet browsers sparked unbridled enthusiasm for what consumers could do with this new technology. The media called all of the e-commerce Internet companies “dot-coms” because of the “.com” extension on their website names. In many cases entrepreneurs were unrealistic about what they might accomplish.

Many invested millions of dollars in entrepreneurs with no products or sound business plans in the hopes that a vague idea might become the next eBay or Yahoo! Entrepreneurs promised workers stock options when there were no funds for payroll, pointing to the experience of secretaries from the early Microsoft days in the 1980s who were now millionaires.

But many of the ideas were tentative at best, such as exchanging real money for virtual currency called Flooz, getting investment advice from amateurs (iexchange.com), or purchasing a car from imotors.com. Venture capitalists, those who gave money to entrepreneurs for an ownership share in the product, funded this dot-com craze, and they distributed more venture capital during the mid-1990s than in the entire history of American business prior to this time (Kaplan, 2002).

Technology in America: The Smart Phone

One of the iconic images from the 1987 film *Wall Street* was the protagonist Gordon Gekko using a revolutionary new communications technology. It was a “portable” phone the size and weight of a brick. It featured a large antenna and operated over a cellular, or wireless, network. In 1983 Ameritech established the first 1G (first-generation) cell phone network in Chicago. Over the next 2 decades, this technology evolved to become a way to inexpensively connect millions of people through voice and text over the entire world.



Jörg Carstensen/picture-alliance/dpa/AP Images

Smart phone technology revolutionized the way that Americans communicate, providing social media connections and offering information at one’s fingertips.

In the 1990s three important trends converged to make the cell phone a truly revolutionary device. The first was the cost of cell phone plans. Initially, cell phones were extremely expensive to use, and there were little to no periods when people could talk without racking up huge costs. As a result, people used them only for emergencies. When these prices began decreasing, though, cell phones slowly became the communications medium of choice—even for casual conversation—and began to replace landlines, or home phones, and the once ubiquitous phone booth.

A second important trend was the development of personal digital assistants (PDAs). These were small handheld computers initially sold by companies like Palm Pilot. Although they had a variety of data and organizational features (such as a datebook, calendar, and limited games), they had no way to connect to other users. Each PDA was essentially an island unto itself. A third key trend was the emergence of Wi-Fi hotspots, which enable users with laptops to easily log on to the Internet, even when away from home. Coffee shops began adding these connection points for free as a way to lure customers.

By the early 2000s all three of these trends converged into a new device called the smart phone. In 2004 a Canadian company called Research in Motion began offering its BlackBerry phone, combining the organizational features of a PDA, the voice capabilities of a cell phone, and the data functionality of a laptop by offering e-mail. Three years later, Apple introduced its iPhone, and in 2007 it earned *Time* magazine’s invention of the year. Since that time the ubiquitous smart phone revolutionized the way Americans communicate and access the Internet and social media. They provide information at one’s fingertips, offer the ability to record video, and allow Americans to be ever more connected while traveling.

For further reading, see:

Briggs, A., & Burke, P. (2009). *A social history of the media: From Gutenberg to the Internet*. Cambridge, MA: Polity.

Boom and Bust in the Stock Market

While Clinton was focusing on terrorism abroad and scandal at home, the one constant was the booming economy that deflected some criticism from him. However, this too was an area of potential trouble. In December 1996 the chair of the Federal Reserve, Alan Greenspan, gave a speech in which he warned that despite the tremendous rise of the stock market, the economy was treading on dangerous ground; those who chose to ignore it, he said, suffered from “irrational exuberance” (as cited in Shiller, 2005, p. 1). Greenspan’s warning went unheeded, and from 1995 to March 2000, stocks moved at a frenzied pace, driven ever higher by the money invested in Internet companies.

Exploring History through Film: The Dot Com Crash

Between 1998 and 2000 the value of Internet stocks quintupled. This so-called **dot-com bubble** peaked when the NASDAQ, a

The economy surged through much of President Clinton's second term in office, fueled by the expansion of and demand for internet access. The tech-heavy NASDAQ index surged as investors bet heavily on the power of the new paradigm. In many cases, investors invested in companies without a tangible or sustainable business plan. Shortly after reaching its peak, the NASDAQ crashed, destroying hundreds of companies overnight.

Dot Com Crash

From Title: *The Retirement Gamble*

(<https://fod.infobase.com/PortalPlaylists.aspx?wID=100753&xtid=58687>)

Critical Thinking Questions

- Compare the dotcom crash with the other economic downturns you have read about in this book (Panic of 1893, The Great Depression, etc). What were the similarities? What were the differences?
- What does the number of economic downturns tell us about the nature of the U.S. economy?

benchmark of technology companies, reached 5,132 points at midday on March 10, 2000 (Perkins & Perkins, 1999). At this moment the bubble burst, and over the next 2 years, companies lost \$5 trillion in market value. Many of the Internet companies traded at 1% or 2% of their previous valuations, and others simply folded (Rajan & Zingales, 2004).

There were several reasons for this collapse. First was a lackluster 1999 Christmas season for retailers, and when companies released earnings results in March 2000, a broad downturn was evident. Also, companies invested heavily in information technology prior to January 1, 2000, in response to fears of a **Y2K** (meaning year 2000) computer glitch that was feared would shut down the global computer infrastructure. When this did not happen—January 1, 2000, passed without incident—companies virtually had no need for computer upgrades for the foreseeable future.

Deregulation in Practice

Globalization and the economic expansion of the 1990s led both Republicans and Democrats to support deregulation of the economy. Although deregulation is often associated with the Republican Party, during the 1990s Clinton and other Democrats came to agree that many of the nation's financial regulations were outdated and stifled real

competition. For example, under Clinton in 1999 Congress repealed the Glass-Steagall Act, enacted during the Great Depression to separate commercial and investment banking. This allowed banks to mix business practices and grow ever larger.

While removing the barrier between banking sectors allowed consumers more freedom of choice, deregulation also left the door open for corruption. With little government oversight of important segments of the economy, fraudulent business practices resulted in scandals in energy, telecommunications, and stock trading.

Summary and Resources

Chapter Summary

- The United States entered a new global age during the 1990s. Although the Cold War was over, the interconnectedness of world economies and political organizations made international concerns of paramount interest.
- The breakup of the Soviet Union left the United States as the world's dominant superpower, leading to interventions in the Middle East and Eastern Europe. The threat from terrorism hit home with attacks from abroad on New York's World Trade Center and from domestic terrorists on a federal office building in Oklahoma.
- Domestically, the nation experienced financial prosperity with a federal budget surplus for the first time in many decades. The stock market soared, and Internet commerce allowed some Americans to join the wealthy class.
- Dissent also figured into 1990s America. Racial and ethnic tensions persisted, resulting in rioting in Los Angeles and a questioning of the place of immigrants in society.
- As the millennium approached, America was more ethnically diverse, and the trend was projected to continue into the new century.
- Instead of Cold War tensions, the nation and the world faced a renewed and more prolific specter of international terrorism that threatened to change life in America and global relations.

Critical Thinking Questions

1. Did the world become a safer place after the Cold War?
2. Is U.S. intervention in world conflicts justified in order to spread global democracy?
3. Should a president be impeached for moral or unethical behavior?
4. What should be done with a federal budget surplus?
5. Has racial equality been achieved at the turn of the 21st century?

Additional Resources

Second Draft of the Address to the Nation on the Gulf War

[http://docsteach.org/documents/595211/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=53](http://docsteach.org/documents/595211/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=53) ([http://docsteach.org/documents/595211/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=53](http://docsteach.org/documents/595211/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=53))

This draft of a televised speech includes the words and notations President George H. W. Bush used when announcing the beginning of the military campaign known as Operation Desert Storm.

President Bill Clinton's Eulogy for the Bombing Victims in Oklahoma City

[http://docsteach.org/documents/595142/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=52](http://docsteach.org/documents/595142/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=52) ([http://docsteach.org/documents/595142/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=52](http://docsteach.org/documents/595142/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=52))

President Clinton's poignant words underscored the nation's sorrow at the loss of 168 Americans to this act of domestic terrorism.

Oaths of Senators for the Impeachment Trial of William Jefferson Clinton

[http://docsteach.org/documents/1157606/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=52](http://docsteach.org/documents/1157606/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=52) ([http://docsteach.org/documents/1157606/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=52](http://docsteach.org/documents/1157606/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=52))

President Bill Clinton became only the second American president to face impeachment in 1998; he was acquitted of all charges in February 1999.

Immigration Act of 1990

<https://www.govtrack.us/congress/bills/101/s358/text>
(<https://www.govtrack.us/congress/bills/101/s358/text>)

This law was the first major immigration legislation since 1965. It increased the numbers of immigrants permitted to enter the United States and gave priority to those with special skills or family already in the country.

Becoming Minnesotan: Stories of Recent Immigrants and Refugees

<http://education.mnhs.org/immigration> (<http://education.mnhs.org/immigration>)

These oral history interviews provide firsthand accounts of recent immigrants living in the state of Minnesota.

Key Terms

al Qaeda

An Islamic terrorist organization calling for global reorganization under strict sharia law and opposition to Western culture.

apartheid

This decades-old South African policy of "apartness" or complete racial separation ended in 1989.

Contract with America

A Republican reform plan that promised to lower taxes, reduce the size of government, loosen environmental regulation, and end affirmative action.

Dayton Peace Accords

The international agreement ending the Bosnian War and creating the independent nations of Bosnia, Serbia, and Croatia.

Deficit Reduction Act

Also known as the Omnibus Budget Reconciliation Act of 1993, this act cut spending, raised taxes, and managed to balance the federal budget.

Desert Storm

Decisive American-led NATO action forcing Iraqi leader Saddam Hussein to cease occupation of oil-rich Kuwait.

don't ask, don't tell

A military policy partially repealing the ban on homosexuals in the military, so long as a person's sexual orientation was not openly revealed.

dot-com bubble

An artificial inflation of technology and Internet stocks in the late 1990s.

ethnic cleansing

A mass expulsion or killing of members of an ethnic or racial group.

Immigration Act of 1990

Replacing earlier quota systems, this act increased the overall number of immigrants to be admitted annually to 675,000 and gave preference to migrants with family already in the United States or specific job skills.

impeachment

The formal process of removing an official from office for illegal activity; in presidential impeachment the process includes indictment by the House of Representatives and trial before the Senate.

jihadist

An Arabic term translating as "struggle" or "resisting," the term came to designate militant, fundamentalist Islamic conflict.

Minsk Agreement

Also known as the Belavezha Accords, this agreement formally dissolved the Soviet Union in 1991.

multiculturalism

The notion that it is essential to respect the culture and ethnic traditions of multiple immigrant groups and that the diversification of American society is a positive influence.

new immigrants

Late 20th-century immigrants hailing largely from Asia, Africa, the Middle East, and Central and South America.

sharia law

A legal system based on the teachings of Islam.

War on Drugs

George H. W. Bush's program to reduce the manufacture, sale, and trafficking in illegal drugs.

Welfare to Work

A major overhaul of the federal welfare and poor relief system to incorporate job training and work requirements for welfare recipients.

Y2K

The approaching year 2000; it brought fears that computers and other electronic devices would stop functioning, and some businesses and individuals stockpiled supplies and cash and invested in software repairs for a problem that never materialized.