

Lowi & Ginsberg

DEMOCRATS  
RETURN TO  
POWER



Politics and Policy  
in the Clinton Era



# *Democrats Return to Power*

POLITICS AND POLICY IN  
THE CLINTON ERA



*THEODORE J. LOWI*

CORNELL UNIVERSITY

AND

*BENJAMIN GINSBERG*

THE JOHNS HOPKINS UNIVERSITY



W. W. NORTON & COMPANY

NEW YORK • LONDON

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Printed in the United States of America

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ISBN 0-393-96547-3

W. W. Norton & Company, Inc., 500 Fifth Avenue, New York, N.Y. 10110  
W. W. Norton & Company Ltd., 10 Coptic Street, London WC1A 1PU

1 2 3 4 5 6 7 8 9 0

## PREFACE

In November 1992, Bill Clinton defeated George Bush to become America's first Democratic president in twelve years. With the Senate and House of Representatives remaining firmly in Democratic hands, America's era of divided government also seemed at an end. During the campaign, Clinton had called for change and articulated an ambitious policy agenda. Many observers expected the president and Democratic Congress to work hand in hand to formulate and enact major new programs. Within a few months, however, bitter struggles had broken out, pitting the White House not only against Republicans in Congress, but also against important forces in the president's own party. Many of the president's policy initiatives were blocked or amended so thoroughly that they bore little resemblance to Clinton's original proposals.

To add to the president's woes, vicious battles developed over a number of his most important appointments; the leadership of the armed forces staged virtually an open revolt over the president's efforts to rescind the military's traditional ban on service by gay men and women; and the national news media presented a series of unflattering accounts of the inner workings of the White House. Everything seemed to be unraveling.

This short book describes the 1992 election and its aftermath, and tries to explain *why* everything seemed to go so wrong so quickly. Understanding why things went wrong is extremely important. As we will see, the problems President Clinton has encountered underscore some of the major problems of governance facing the United States today. These problems are indicative of the fact that a number of important elements of America's contemporary governmental and political processes are fundamentally unsound and unhealthy. To the extent that they are allowed to persist, they undermine the very possibility of effective government in the United States.

This volume is not only an analysis of the Clinton administration, but is also an experiment in textbook publishing. It is designed to bridge the gap between the second and third editions of our introductory text, *American Government: Freedom and Power*. The second edition of our text was written before the Clinton presidency, while the third edition will not be available for classroom use until fall 1994. We hope that this brief volume, to be used in conjunction with the second edition, will provide readers with the most up-to-date examples and illustrations of the major themes of that book. At the same time, we hope that *Democrats Return to Power* will introduce readers to the new analyses, problems, and questions posed by the third edition of our *American Government*.

For helping us to undertake this experiment, we are grateful to our colleagues at W.W. Norton. Margie Brassil, Jane Carter, and Nancy Yanchus were instrumental in preparing the volume. As always, our editor Roby Harrington played a critical role in developing the project.



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*Modern Governance: A  
History of Hope and Failure*



Over the past thirty years, the history of the American presidency has been one of disappointment and failure. Of America's last six presidents, five were compelled to leave office sooner than they wished. President Lyndon Johnson, his administration wrecked by the Vietnam War, declined to seek another term. President Richard Nixon was forced to resign over the Watergate scandal. Presidents Ford, Carter, and Bush were defeated in their efforts to win re-election. Only Ronald Reagan, among recent chief executives, was able to complete two full terms. And, even Reagan saw his presidency disrupted by the Iran-Contra scandal during his final two years in office.



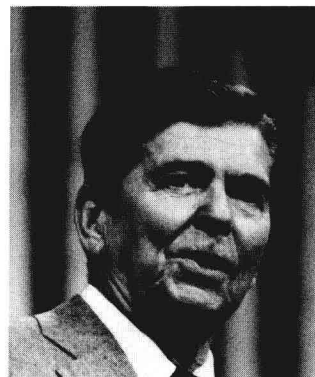
### Ronald Reagan and Bill Clinton Redefining the Role of Government

Debate over the size, scope, and power of the federal government dominated the American political agenda in the 1980s and 1990s. Ronald Reagan swept into office in 1980 in large part on the promise to reduce government. Twelve years after Reagan's election, Bill Clinton won the presidency based on his pledge to mobilize the resources of government to attack pressing domestic problems.

Ronald Reagan's career in politics extended back to his days as an actor, when he was elected president of the Screen Actors Guild in 1947. He began his political life as a Democrat but formally switched to the Republican party in 1962. He became an ardent supporter of conservative Republican Barry Goldwater's unsuccessful bid for the presidency in 1964. Two years later Reagan was elected governor of California, a position he held for eight years. In 1976, Reagan narrowly lost the Republican nomination to incumbent Gerald Ford. Four years later, he captured the nomination and the presidency on the crest of conservative enthusiasm for less government and stronger national defense spending, defeating beleaguered incumbent Jimmy Carter.

In his inaugural address, Reagan stated unequivocally that "government is not the solution to our problem; government is the problem." During his first term in office, Reagan won major revisions in fiscal policy and brought about enormous increases in military spending. During his second term, however, most of Reagan's legislative efforts were blocked by Congress and his administration ended under the cloud of the Iran-Contra scandal. Whether viewed as successful or not, the Reagan administration redefined the American political agenda to one in which more would have to be done with less.

Although considered by many to be a supporter of big government spending, Bill



*Ronald Reagan*



Despite this unhappy history, Americans continue to see every presidential election as an opportunity to reset the nation's course and correct the mistakes of the past. The public is generally content to listen to the promises of change and "new beginnings" during the new administration's "honeymoon" period, while even the most jaded journalists usually suspend disbelief and write paeans to the new administration's dazzling personalities, policies, and ideas. Yet five times out of six, these hopeful beginnings have ended in bitter conflict and failure.

In November 1992, Americans again elected a new president. During Bill Clinton's first weeks in office, his popular standing was high, his relations with



Clinton sought to adapt to the post-Reagan era of limited government by redefining the Democratic party while still drawing on the party's tradition of activism. Clinton's humble Arkansas roots belied his grand ambitions. A Rhodes scholar and graduate of Yale Law School, Clinton set his sights early on a political career. He became the nation's youngest governor when first elected in 1978. After an unexpected defeat in 1980, Clinton came back two years later to recapture the office, which he held until assuming the presidency.

Despite early political setbacks, Clinton proved to be a tenacious and durable campaigner for the 1992 presidential nomination. By the time he won the Democratic nomination, he stood even with his two rivals, George Bush and Ross Perot. From the end of the Democratic convention to election day, Clinton never trailed in the polls. Sensing that the mood of the country called for governmental leadership to address such pressing domestic problems as economic decline, revamping the nation's creaking health care system, and improving America's competitiveness, Clinton promised in his inaugural address to "resolve to make our government a place for what Franklin Roosevelt called bold, persistent experimentation."

Once in office, Clinton introduced an ambitious package of proposals, including tax and spending increases, changes in America's health care system, and reform of campaign finance and lobbying practices. His proposals were initially greeted with enthusiasm by the media, the public, and members of his own party in Congress.

Within several months, however, Clinton faced intense opposition from the Republicans, large segments of the media, and even from key congressional Democrats. Analysts asked whether Clinton's difficulties resulted from the president's own errors or whether they reflected some of the more systemic problems faced by America's government today. Is government the problem as Reagan suggested or the solution as Clinton contends? The debate continues. . . .

Source: John Chubb and Paul Peterson, eds., *Can Government Govern?* (Washington, DC: The Brookings Institution, 1989).



*Bill Clinton*



4 Congress excellent. The media were describing him as the most skillful politician in America. Indeed, some members of the media were comparing him favorably to Roosevelt and Lincoln.

MODERN  
GOVERNANCE:  
A HISTORY OF  
HOPE AND  
FAILURE

Alas, after only a very brief period in office, Clinton's popular standing had plummeted; after only six months it was the lowest of any modern president at a comparable point in his term. His major policy initiatives were in deep trouble in Congress, and the national media were characterizing him as without leadership ability, as inept and lacking a moral compass. Instead of comparing him *favorably* to Roosevelt and Lincoln, the media began comparing him *unfavorably* to George Bush—a president whom the media had previously likened to the hapless Herbert Hoover and James Buchanan.

What explains this history of hope and failure? Over the past several decades a new political pattern has emerged in the United States. This pattern includes low rates of voter turnout, weak political parties, a central role for interest groups and the media, and the use of powerful new weapons of political warfare. It is this new pattern of politics, as we shall see, that accounts for many of the difficulties encountered by President Clinton and his predecessors. Indeed, a reasonable student of American politics might legitimately ask whether anyone can govern effectively in this political environment. Before considering this broader issue, however, let us look at the 1992 presidential election and the first months of the Clinton administration. President Clinton's difficulties will help to bring into focus a number of the fundamental problems with the contemporary American political process.

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## THE 1992 ELECTION: SHIFTING ALIGNMENTS OF POLITICAL FORCES

### *Republican Disarray*

By the end of George Bush's term in office the Reagan coalition had begun to unravel. The two key elements in the electoral appeal of Reaganism had been prosperity at home and strength abroad. Reagan and his successor promised voters that by unleashing the energies of the free marketplace, without the damaging regulation imposed by Democrats, Republicans would bring a new era of prosperity to America. Moreover, Reagan and Bush promised to keep America strong. Only the Republican party, they argued, could be trusted to maintain American power in the face of the "evil empire" controlled by the Soviet Union. Reagan's programs of military buildup and economic stimulation appeared to fulfill both these pledges.

By 1992, these two key elements were gone. First, the nation had become mired in one of the longest economic downturns in recent decades. Second, the Soviet Union had collapsed, bringing an end to the Cold War and diminishing the threat of a nuclear holocaust.

Between 1989 and 1992, virtually every indicator of economic performance told the same story: rising unemployment, declining retail sales and corporate profitability, continuing penetration of American markets by foreign firms and the loss of American jobs to foreigners, a sharp drop in real estate prices followed by a wave of bank collapses, and large numbers of business failures. The poor performance of the American economy during his term in office eroded Bush's popularity and divided the Republican coalition. First, business groups that had supported the Republicans since the 1970s began to desert the GOP. During the 1970s, most businesses had perceived government as a threat, fearing that consumer and environmental legislation, which were supported by the Democrats, would be enormously costly and burdensome. Reagan's call for "deregulation" was a major source of the enthusiastic and virtually united support he received from the business community.

By 1992, however, economic hardship had divided the business community. Some business sectors, especially "big business" and the multinationals, continued to support Republican laissez-faire economics. Republican policies of free trade and unrestricted competition permitted the nation's largest firms to expand their manufacturing base abroad in countries where labor and production costs were cheap, while leaving the American market open to their finished products. These firms favored the North American Free Trade Agreement (NAFTA) negotiated by the Bush administration in 1992, because it would allow them to move much of their production to Mexico.

Small and medium-sized firms, though, could not as easily move to Mexico or elsewhere to enjoy the benefits of free trade and cheap labor. These firms had been especially vehement opponents of regulation and thus were enthusiastic supporters of Reaganism in the 1980s. In the 1990s, however, new economic realities compelled them to seek governmental assistance rather than worry about the threat of excessive governmental regulation. In particular, firms facing severe foreign competition in domestic and world markets sought government aid in the form of protection of their domestic markets coupled with vigorous governmental efforts to promote their exports. As a result, the political unity of American business brought about by Reagan was shattered and a major prop of the Republican coalition undermined.

Economic hardship also drove away blue-collar support for the Republican coalition. Traditionally, blue-collar voters had been tied to the Democratic party on the basis of that party's economic stands. During the 1980s, however, Reagan and Bush won the support of many of these voters in both the North and the South by persuading them to put their economic interests aside and to focus instead on their moral and patriotic concerns.

A major function of the Republican "social agenda" of opposition to abortion, support for prayer in the public schools, and unabashed patriotism was to woo blue-collar voters from the Democratic camp by convincing them to regard themselves as right-to-lifers and patriots rather than as workers. Similarly, Republican opposition to affirmative action and school busing was designed to appeal to blue-collar northerners as well as to traditionally Democratic southerners offended by their party's liberal positions on matters of race.

By 1992, however, the political value of the social agenda had diminished.

Faced with massive layoffs in many key industries, blue-collar voters could no longer afford the luxury of focusing on moral or racial issues rather than on their economic interests. In a number of states, as a result, the racial issues of the 1980s lost their political potency.<sup>1</sup> Indeed, even patriotism gave way to economic concerns as the recession lengthened. This was why George Bush's incredible 91 percent approval rating following the Persian Gulf War fell as much as 50 points in less than one year. During the 1980s and early 1990s, millions of working-class voters who became unemployed or were forced to find lower-paying jobs gradually deserted the Republican camp.

Though the constituency for the Republican social agenda shrank, the moral fervor of the groups most fiercely committed to those issues grew nonetheless. When right-to-life forces launched protests and sought to block the doors of abortion clinics across the nation, President Bush saw no choice but to endorse strongly the activities of these loyal Republicans. However, Bush's support for these groups hurt his standing among rank-and-file suburban Republicans. The Republican party's traditional suburban, upper-middle-class constituency had never been enthusiastic about the social agenda or about the sorts of people it had brought into the party. It had been prepared, however, to hold its collective nose so long as the social agenda brought political success and the Republican national leadership did not seem to be working very hard *actually* to bring about the criminalization of abortion, to return prayer to the schools, and so forth. Ronald Reagan had been extremely adept at convincing right-to-lifers that he was on their side, while reassuring his suburban, upper-middle-class constituents that, however much he might talk about abortion, he did not actually plan to *do* anything about it. Because Bush's political base on the Right was weaker than Reagan's, however, he felt compelled to do more to satisfy anti-abortion groups and other social conservatives. This led to a pattern of Supreme Court appointments and legislative initiatives that pleased social conservatives but offended the so-called country club set that had been the party's backbone. As the 1992 campaign approached, Bush suffered a considerable loss of support in this stratum that was only exacerbated by the prominent role assigned to social conservatives at the 1992 Republican convention.

Even more than their dismay over the social agenda, economic hard times eroded Republican support among middle-class urban and suburban voters. Middle-class executives and professionals are usually fairly well insulated from the economic downturns that often devastate blue-collar workers, but the economic crises of the late 1980s and early 1990s had a major impact on them as well. The cumulative effect of the mergers and acquisitions of the 1980s, the failure of hundreds of banks, corporate restructuring and "downsizing," the massive shift of manufacturing operations out of the country, the decline of the securities industry, the collapse of the housing market, and the end of the defense boom meant at least the possibility of unemployment or income reduction for hundreds of thousands of white-collar, management, and professional employees. Even those whose jobs

<sup>1</sup>For a discussion of events in one state, see David Broder, "In North Carolina, Racially Coded Wedge Issues No Longer Dominate," *Washington Post*, 13 October 1992, p. A12.

were secure saw their economic positions eroded by the sharply declining values of their homes.

Economic hard times gave middle-class voters another reason for alarm. One of the inevitable consequences of economic distress and unemployment is an increase in crime rates. During the late 1980s and early 1990s, crime rates throughout the United States soared. In 1980, middle-class taxpayers had responded favorably to Ronald Reagan's call for a cap on social spending coupled with a tough approach to crime. For twelve years, limits on domestic social spending were a cornerstone of the Republican program. In 1992, however, rising crime rates despite Republican "get tough" rhetoric allowed the Democrats to persuade many middle-class voters that the expansion of domestic social spending was a price that had to be paid for the preservation of social peace and public safety.

Thus, the decline of prosperity at home caused cracks in the Reagan coalition. Under the pressure of economic distress, groups that had been enthusiastic supporters of Reaganism in the early 1980s broke away from the GOP in 1992.

To compound the Republican party's woes, the unity of its coalition was also undermined by the collapse of the Soviet Union and the end of the Cold War threat. Strength abroad had been the second cornerstone of Reaganism. Reagan had defined the Soviet Union as an "evil empire" that threatened the security of the world. To confront the Soviets, the Reagan administration embarked on a massive arms buildup that raised American military spending to levels unprecedented for peacetime.

Whatever its strategic purposes, the Reaganite program of hard-line anticommunism and massive increases in arms spending had a number of domestic political functions. First, the Reaganite posture of at least rhetorical confrontation with the Soviet Union cemented the loyalty of political conservatives to the Reagan coalition and the Republican party. This posture also attracted the support of members of various ethnic groups who had reason either to oppose the U.S.S.R. or, as in the case of pro-Israel Jews, to favor increased American military outlays. Moreover, it helped the GOP appeal to the patriotic sentiments of blue-collar voters who had traditionally supported the Democrats.

Second, the Reaganite military buildup was an enormous boon to the American defense industry and to those regions of the country—primarily the South and Southwest—where military construction was an important economic factor. During the 1980s, billions of dollars in new military contracts for items ranging from mundane uniforms and supplies to exotic antimissile defenses poured into the coffers of thousands of American corporations. At the same time, hundreds of thousands of workers benefitted from high-paying jobs in the defense industry. This helped boost the prosperity of much of the so-called sunbelt, and gave voters and industries in this region a strong reason to support the GOP.

Third, the military buildup represented an effort to assert the primacy of national security and international concerns over domestic issues. Since the New Deal, the Democratic party's political advantage had come in the arena of domestic policy. Under Reagan's leadership, the GOP sought to persuade voters that domestic concerns were secondary to the nation's vital security interests, which they claimed were severely threatened by the expansive Soviet empire. In the foreign policy arena, voters tended to have more confidence in Republican leadership.

8 This tendency was reinforced during the Bush administration by the public's overwhelmingly favorable response to the president's handling of the Persian Gulf crisis. The presence of a Soviet threat helped Republicans persuade voters to focus on foreign rather than on domestic policy and therefore to support the GOP.

In a similar vein, Reagan's call for strengthening America's defenses provided a justification for limiting domestic social expenditures and programs. Domestic programs, and the federal, state, and quasi-public agencies that administered them, had become major elements of the organizational base of the national Democratic party. By asserting an overriding need to preserve the nation's security in a hostile world, the GOP was able to rationalize diverting funds from domestic to military programs and, in this way, to attack the Democratic party's institutional base. Thus, the perceived Soviet threat not only permitted the Republicans to strengthen their own coalition but allowed them to attack their rival's camp as well.

The collapse of the Soviet Union may have represented a victory for Republican foreign policy, but paradoxically, it was a disaster for Republican domestic political strategy. As the Soviet Union weakened and, finally, dissolved, the rationale for a continuation of high levels of military spending disappeared, as did much of the justification for focusing on international rather than domestic problems and priorities. Industries and workers that had benefitted from Republican military spending now began to look to the Democrats, whose call for massive investment in the American economic infrastructure held out the promise of a new array of government contracts to replace those lost by the ending of the Cold War.

At the same time, ethnic groups that had been drawn to the GOP by its anti-Soviet stance no longer had a strong reason to remain in the Republican camp. One group, Jewish Republicans, completely abandoned the GOP. The collapse of the Soviet Union had led the White House to conclude that it could now afford to loosen its military and political links to Israel in order to pursue closer ties to Arab nations. When American Jews protested this shift in U.S. policy, President Bush, during a televised news conference, appeared to question their patriotism. Despite the president's subsequent apologies, few Jewish Republicans returned to the fold.

Finally, especially when coupled with the poor performance of the American economy, the collapse of the Soviet Union made it impossible for the Republicans to continue to insist on the primacy of international and security issues. Now that the threat of war had receded, Americans were freer than they had been in years to focus on problems at home. As a result, working-class voters who had been persuaded to support the GOP despite economic interests that had historically linked them to the Democrats now began to reassess their positions. Many patriots became workers once again.

Thus, the collapse of the Soviet Union undermined the second key element of the Republican coalition's political success. For twelve years, the Republicans had emphasized prosperity at home and strength abroad. Now, in 1992, the nation was *not* prosperous, and its unprecedented military strength seemed irrelevant.

As the loyalty of the forces brought into the Republican camp by Reaganite appeals began to wane, President Bush found himself increasingly dependent on a core Republican constituency of hard-line social and political conservatives. Political conservatives had been furious with Bush since 1991, when he broke his "read my lips" pledge never to raise taxes, in order to reach a budget agreement with

congressional Democrats. Bush angered these conservatives even further when he signed the 1991 Civil Rights Act and the Americans with Disabilities Act. The first was seen by conservatives as a "quotas" bill, while the second appeared to be opening the way to a torrent of litigation against businesses.

Bush calculated that he had to maintain his support on the political right in order to have any chance of re-election. For this reason, he gave conservatives, including his nemesis from the presidential primaries, Patrick Buchanan, a prominent role in the 1992 Republican National Convention, gave their views a prominent place in the Republican platform, and emphasized "family values" in his presidential campaign. All this helped to strengthen Bush's support on the Right. Unfortunately for Bush, his efforts to placate the Right led to unease among moderate Republicans whose support for the president was already wavering under the pressure of economic and world events.

### *Democratic Opportunity*

These cracks in the Republican coalition provided the Democrats with their best opportunity in two decades to capture the White House. First, however, they had to put their own party's house in order. Since the early 1970s, Democratic candidates had been doubly handicapped by a liberal ideology. The Democratic party's nominating process had produced candidates and platforms that were seen as too far to the Left by the general electorate. At the same time, Democratic candidates, heavily dependent on African American voters, were compelled to appeal for their support with pledges on domestic spending and programs like affirmative action. The effect of these twin impulses toward the Left was to alienate conservative working-class whites in the North and South whose votes the Democrats also needed. Race and a liberal ideology had helped undermine five Democratic candidacies since 1968. In 1992, however, the Democrats were able to handle both these problems successfully.

Since the electoral debacle of 1972, when Richard Nixon won a landslide victory over George McGovern, moderate Democrats had argued that the party needed to present a more centrist image if it hoped to be competitive in national elections. The major organizational vehicle for the centrists was the Democratic Leadership Council (DLC), an organization based in Washington, D.C., and funded by businesses with ties to the Democratic party. Throughout the Reagan and Bush years, the DLC organized networks of state and local party officials and sought to develop political themes that could both bring about a measure of party unity *and* appeal to the national electorate.<sup>2</sup>

In 1992, the DLC and its moderate allies were able to dominate the Democratic party's presidential nominating processes as well as its national convention. The party chose as its presidential and vice-presidential candidates Governor Bill Clinton of Arkansas and Senator Al Gore of Tennessee, both founding members of the DLC. The platform adopted at the party's national convention was widely per-

<sup>2</sup>For a discussion, see Thomas Edsall, "The Democrats Pick a New Centerpiece," *Washington Post National Weekly Edition*, 24 August 1992, p. 14.

ceived to be the most conservative in decades, stressing individual responsibility and private enterprise, while implicitly criticizing welfare recipients. Though the platform mentioned the importance of protecting the rights of women, gays, and minorities, gone were the calls for expanded rights for criminals and welfare recipients that had provided Republicans with such convenient political targets in previous years.

Democrats sought to deal with their party's racial divisions by keeping African American politicians and racial issues at arm's length and relying upon economic appeals to woo both working-class white and black voters. Democratic strategists calculated that black voters and politicians would have no choice but to support the Democratic ticket. Given the nation's economic woes, which afflicted blacks even more than whites, Democratic leaders reasoned that they had no need to appeal explicitly for black support. This freed the party to seek the votes of conservative whites. One step in this direction was, of course, the creation of a ticket headed by two southerners. Democrats hoped that the Clinton/Gore ticket would appeal directly to the southern white voters who once had been Democratic stalwarts, but who had made the Deep South a Republican bastion during the Reagan years.

Clinton went out of his way to assure conservative whites in both the North and South that, unlike previous Democratic candidates, he would not cater to blacks. For example, Clinton was careful to avoid any association with America's most visible African American Democrat, Jesse Jackson. Clinton also seized an opportunity after the 1992 Los Angeles riots to attack sharply a black rap singer, Sister Souljah, for her anti-white comments. Many African American Democrats were angry about the party's apparent shift to the right on matters of race and threatened to withhold their backing in the general election. Jesse Jackson, for example, pointedly remarked, "It takes two wings to fly." There was, however, little that African American politicians could do, and, ultimately, Jackson and the others had no choice but to support the Clinton ticket.

Thus, Clinton became the first Democratic presidential candidate in two decades who was neither burdened by an excessively liberal image nor plagued by the party's racial division. With Democratic strategists believing they had stabilized the party's traditional southern, African American, and blue-collar base, Clinton and his allies moved to expand into Republican electoral territory. For this purpose, the Democrats fashioned an economic message designed to appeal to business and the middle-class interests without alienating the party's working-class constituency.

The centerpiece of the Democratic campaign was a call for the development of a multifaceted "national economic strategy." One major element of this strategy was support for free trade but with the proviso that America would act against nations deemed to be guilty of unfair trade practices or to have poor labor policies or deficient environmental programs.<sup>3</sup> A second element was increased government spending to support scientific research and development, as well as strong government backing for new technologies and industries, and tax credits for small

<sup>3</sup>Stuart Auerbach, "Bush, Clinton Differ on Government's Role," *Washington Post*, 8 October 1992, p. A23.



and medium-sized businesses. Third, the Democrats' economic strategy envisioned extensive retraining for workers to prepare them for jobs in the new, high-technology industries of the future. Fourth, the Democrats called for massive federal spending to rebuild America's industrial infrastructure. Fifth, their economic strategy promised to expand funding for education, health care, and other social services—to be paid for by tax increases on the wealthy, while somehow cutting taxes on the middle class—calling it an investment in the human capital needed to improve America's competitive position in the world economy. Finally, the Democrats promised political and institutional reform to enhance the government's capacity to achieve its goals. This would later be called “reinventing government.”<sup>4</sup>

Taken as a whole, the Democrats' national economic strategy was a blueprint as much for political success as for economic recovery. Each element of their plan was calculated to appeal to the interests of traditional Democratic constituencies or to create a new coalition of forces that would strengthen the Democratic camp. Thus, most obviously, the pledge to invest heavily in research and new technologies, as well as in the modernization of America's infrastructure through funding for projects such as the creation of high-speed trains and electronic “information highways,” was aimed at winning the support of firms in the computer, telecommunications, and aerospace industries threatened by cuts in defense spending and intense foreign competition. The executives of hundreds of high-tech firms responded to this Democratic initiative by announcing their support for Clinton.

Similarly, Democratic caveats on free trade were designed to reassure firms threatened by foreign competition, or by American firms using cheap labor in Mexico under the new NAFTA agreement, that a Democratic administration would be sensitive to their needs. Their rhetoric suggested that especially troublesome foreigners or Mexican transplants might be charged with unfair labor and trade practices, or even with environmental mismanagement, to protect the market share of American-based businesses.

Democratic support for limits on free trade were also designed to please organized labor, which feared a continuing loss of unionized jobs to foreign countries. Labor had reason to support Democratic calls for infrastructural redevelopment (which would presumably provide public works jobs for unionized workers in a variety of industries) and job retraining programs as well. Through these initiatives, the Democrats hoped to rebuild their own infrastructure as well as the nation's. Under Franklin Roosevelt, the Democratic party had forged coalitions between industry and labor through regulatory, defense, and public employment programs that provided benefits for workers and their firms. These coalitions had been broken up during the Reagan-Bush years with damaging consequences for the Democratic party's electoral prospects. With their new economic strategy, the Democrats hoped to reunite business and labor and tie both to the Democratic party.

Finally, the Democrats' national economic strategy identified a new rationale for traditional Democratic social programs, thus pointing the way toward an ex-

<sup>4</sup>For a review of Clinton's campaign positions, see Bill Clinton and Al Gore, *Putting the People First: How We Can Change America* (New York: Times Books, 1992).

pansion of domestic social spending for the benefit of Democratic constituencies. The Reaganites had discredited Democratic social programs by charging that they represented transfers of income from the hardworking middle class to the unworthy poor. In 1992, the Democrats redefined social spending. No longer was social spending a transfer to the poor. Rather, it was now to be seen as an investment in resources needed to improve America's competitive position in the world.

This call obviously had enormous appeal not only for the nominal recipients of social services but, even more important, for the millions of public- and quasi-public-sector professionals—in education, health care, mental health, and related fields—who provided social services. In recent decades, these public-sector professionals came to be among the most vehement and important supporters of the Democrats and determined foes of the Republicans, who, of course, sought to limit domestic social spending.

With this national economic strategy Clinton and the Democrats accomplished in 1992 what Reagan and the Republicans had achieved in 1980 when they formed a coalition with another political strategy presented as an economic theory—supply-side economics.

### *The Campaign*

Against the backdrop of continuing economic recession and Republican disarray, the Democrats' economic program and new posture of moderation on racial issues and ideology helped the Clinton-Gore ticket take a commanding lead in the polls in August 1992, after the Democratic National Convention. Unable to make effective use of economic issues because of the recession or to use the familiar Republican rallying cries against taxes, affirmative action, and regulation successfully because of his own weak record in these areas, Bush fell back upon the theme of "family values" and attacks upon Clinton's character in his attempt to catch up in the polls. For three months, Americans were transfixed by the often bitter campaigning, the candidacy of billionaire populist Ross Perot, and the presidential and vice-presidential debates before casting their votes on November 3.

The Republican ticket's difficulties became evident during the nationally televised presidential and vice-presidential debates in October. While the Democratic candidates focused on the nation's economic distress, constantly reminding voters of the need for programs and policies designed to improve the nation's economy, Bush and Quayle had considerable difficulty articulating an affirmative message and were left to talk about character. Not surprisingly, the debates attracted few new voters to the Republican camp.

Complicating the debates, and the 1992 campaign more generally, was the peculiar candidacy of H. Ross Perot. During the spring of 1992, Perot had announced his intention to campaign as an independent presidential candidate if his name was placed on the ballot in every state. With more than a little help from a well-financed and well-organized Perot effort, Perot "volunteers" complied with Perot's stipulation, and his independent candidacy was launched.<sup>5</sup> Initially, Perot's

<sup>5</sup>Steven Holmes, "Grass-Roots Drive Shows Hand of Oz," *New York Times*, 30 September 1992, p. A20.