

Bill Clinton's "Neocon-inspired Decisions" Triggered Three Major Crises in our Times

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Global Research, August 13, 2014

[The New American Empire](#)

Region: [USA](#)

Theme: [Global Economy](#)

"In 1936, I declared that it was not the Covenant of the League that was at stake, but international morality...The Charter of the United Nations expresses the noblest aspirations of man: abjuration of force in the settlement of disputes between states; the assurance of human rights and fundamental freedoms for all without distinction as to race, sex, language or religion; the safeguarding of international peace and security." Haile Selassie (1892-1975), address to the United Nations, Oct 6, 1963.

"The beauty of the Glass-Steagall act, after all, was its simplicity: banks should not gamble with government insured money. Even a six-year-old can understand that..." Luigi Zingales (1963-), (A Capitalism for the People, 2014).

"Today, Congress voted to update the rules that have governed financial services since the Great Depression and replace them with a system for the 21st century...This historic legislation will better enable American companies to compete in the new economy." [Lawrence H. Summers](#) (1954-), U.S. Treasury Secretary, November 12, 1999.

"We are aware that NATO membership for a unified Germany raises complicated questions. For us, however, one thing is certain: NATO will not expand to the east." Hans-Dietrich Genscher (1927-), the German foreign minister, (February 10, 1990, promising Russia that NATO would not expand to Eastern Europe.)

"I think it is the beginning of a new cold war. I think the Russians will gradually react quite adversely and it will affect their policies. I think it is a tragic mistake. There was no reason for this whatsoever...It shows so little understanding of Russian history and Soviet history. Of course there is going to be a bad reaction from Russia, and then [the NATO expanders] will say that we always told you that is how the Russians are — but this is just wrong." George F. Kennan, (1904-2005), U.S. diplomat and Russia specialist, (in 1998, after the U. S. Senate voted to extend NATO to include Poland, Hungary and the Czech Republic.)

An eye-popping new [book](#) has alleged that U.S. President Bill Clinton had his White House phones tapped in real time, for the benefit of the Israeli government of Prime Minister Benjamin Netanyahu. The book also reveals how the Israeli Prime Minister could have used taped conversations of the American president regarding Mr. Clinton's 1990s sexual scandal in the White House, to exert pressure on him to release from prison a convicted Israeli spy, Jonathan Pollard, who had been arrested in 1985, for espionage against the United States. In fact, the [Israeli surveillance activities](#) in the United States may be very widespread.

I suspect that such illegal activities and the fact that an American president (and [other members](#) of the U.S. administration) could have been placed under electronic surveillance and could have been potentially blackmailed by a foreign country will not go down well with ordinary patriotic Americans, if this becomes widely known. This comes after it has been discovered that the [CIA](#), which works closely in tandem with the Israeli Mossad, has been illegally and unconstitutionally spying on U.S. senators.

These revelations can also encourage us to cast a second look at some crucial decisions made by the Clinton administration, fifteen years ago, because the consequences of such decisions are very much with us today.

Indeed, the fuses of three major crises still smoldering were lit during the U.S. Clinton administration (1992-2000), especially during Clinton's second term (1996-2000). People tend to forget such matters while they concentrate their attention solely on current events. However, it often happens that what we are witnessing in current times has been years in preparation, long after the initiators have left the political scene. What the George W. Bush administration did and what Barack Obama is doing have been a continuation of policies that the Bill Clinton administration initiated in the first place.

What are these three crises that one can trace back to "innovations" introduced by the Bill Clinton administration in the late 1990s?

1- First, there is the [Clinton Kosovo Precedent of wars for "humanitarian" reasons](#).

The current crisis of multiple wars being waged today around the globe, in direct violation of the United Nations Charter, originates largely in that precedent initiated by Bill Clinton.

The Preamble solemnly establishes the main objective of the 1945 U.N. Charter when it says "We the Peoples of the United Nations determined to save succeeding generations from the scourge of war..." and to this end, "armed force(s) shall not be used, save in the common interest..."

As the current United Nations Secretary General, Mr. Ban Ki-Moon reminded the world last year, according to the U.N. Charter, agreed by all the member countries, "the use of force is only legal when it is in self-defense [against an armed attack] or with a [formal] U.N. Security Council authorization."

—That is what international law says.

[Chapter VII](#) of the United Nations Charter, indeed, formally prohibits any war that is not to maintain or restore international peace (Article 42) or that is not undertaken in individual or collective self-defense (Article 51). There are no exceptions for "preventive wars", "so-called humanitarian wars" or any kind of war of aggression.

However, in 1998 and in 1999, the Democratic Clinton administration decided unilaterally to join the on-going [Kosovo War](#) in Yugoslavia without an explicit mandate from the U.N. Security Council, instead relying for the first time not on legality but on an extra-judicial arbitrary argument of political legitimacy for "humanitarian" motives to protect "human rights".

This was done without even a resolution by the U.S. Congress, and with the sole reliance on

the NATO alliance as an instrument of military intervention. (In that case, it was NATO air military operations.) The Kosovo War has been described as “the first war for values” and has opened the Pandora Box of wars of choice, outside of the international legal framework of the United Nations Charter.

Since the [Kosovo Precedent](#) of unilateral humanitarian intervention, war of aggression has become a matter of political will rather than of strict legality, the intervening countries using different versions of their “national interests”. In other words, the world has gone back to before 1945, before the creation of the United Nations, when powerful countries could go to war whenever they felt that it was in their national interests to do so.

The demise of the United Nations as a legal framework against war was greatly accelerated by the Bill Clinton administration’s decision to sidestep the U.N. Charter in favor of the [North Atlantic Treaty Organization](#) (NATO). The world is less secure now that the United Nations has been *de facto* sidelined in its principal mission of preventing and stopping wars.

2- Then there is the Repeal of the Glass-Steagall Act in 1999

In the 1990s, super large American banks launched a \$300 million campaign of lobbying efforts to have the Roosevelt-era-Glass-Steagall act repealed. That important 1933 law had prevented American banks from gambling with government insured money by merging risky and uninsured investment banks that underwrite securities and commercial banks that take insured deposits.

However, powerful bankers, some of them having important posts within the Clinton administration, such as [Robert Rubin](#), Treasury Secretary (1995-1999) and a previous co-chairman from 1990 to 1992 of the large investment bank [Goldman Sachs](#), argued that things had changed and that the limitations imposed by the Glass-Steagall act on their banking activities were hindering their capabilities to “innovate” in the types of financial products they could create and sell to investors, not only in the U.S. but all over the world, thus preventing them from [being competitive internationally](#).

Initially, the Clinton administration was reluctant to gut an act that had prevented the abuses and predatory banking practices that had preceded the [Great Depression](#). However, after some tremendous pressure had been exerted on the Clinton administration, from outside and from within, President Bill Clinton finally signed the repeal of the Glass-Steagall act, on November 12, 1999, as a bill newly renamed the [Gramm-Leach Bliley Act](#) under the names of Senate Banking Committee Chair Phil Gramm (R-Texas), House Banking Committee chair James Leach (R-Iowa), and Virginia Representative Thomas Bliley (R-Virginia).

This allowed commercial banks, investment banks, securities firms, and insurance companies to consolidate, but without giving the Security and Exchange Commission (SEC), or any other financial regulatory agency for that matter, the authority to regulate large investment bank holding companies.

Largely unregulated super large banks and large insurance companies used the newly acquired liberty to engage in [Ponzi finance](#) practices, as they have often done historically and as it should have been expected.

Indeed, they proceeded with creating new financial derivative products that turned out to be

very toxic and which became an important cause of the [subprime financial crisis of 2007-09](#).

What we know, moreover, is that the 2007-2008 financial crisis has resulted in [income and wealth losses](#) of trillions of dollars by American families and of subsidies in the trillions of dollars for large banks, thus resulting in a [massive wealth transfer](#) and [damaging the U.S. economy](#) for years to come.

3- Thirdly, there is the cancellation of the Bush I-Baker promise to Russian Prime Minister Gorbachev not to expand NATO

As the German foreign minister Genscher's quote above indicates, it is widely accepted that after the Warsaw Pact, (the Eastern Europe military alliance), was dissolved in the early 1990s, and after the German reunification, it was at the very least implicitly [promised](#) that NATO would not take advantage of the situation to encircle Russia militarily by expanding in Eastern Europe. For example, it was reported that U.S. Secretary of State James Baker in the George H. Bush administration and German foreign minister Genscher, after a meeting on February 10, 1990, had agreed that there was to be no NATO expansion to the East.

Moreover, this was also the understanding of Mikhail Gorbachev, the Soviet president at the time, when he said that there was a promise not to expand NATO "as much as a thumb's width further to the East." In the past, Jack Matlock, the US ambassador in Moscow at the time, confirmed that Moscow was given a "clear commitment" to that effect. Therefore, Gorbachev's mistake may have been to have taken the western politicians' word too much at its face value instead of requesting a formal agreement.

In any case, the informal agreement not to expand NATO to encompass Russia's former partners in the Warsaw Pact held for a few years, that is until [President Bill Clinton](#), on October 22, 1996, saw it to his advantage during his 1996 reelection campaign to promise to enlarge NATO to include Poland, Hungary, and Czechoslovakia.

In other words, in 1996, Clinton stopped enforcing the promise made by his predecessor. The rest is history, and NATO was from then on transformed from a defensive military alliance into an offensive military alliance under American control. It went on to include not only Poland, Hungary and Czechoslovakia, but also countries such as Albania, Bulgaria, Croatia, Latvia, and Slovenia, among others, thus pushing its military infrastructure right up to the Russian border. Recent attempts to draw Ukraine into NATO are only a continuation of an aggressive [policy of expanding NATO and of isolating Russia](#), initiated by the Bill Clinton administration in the late 1990s.

Under the influence of American Neocons, Clinton rejected the idea of a [peace dividend](#) to be reaped after a reduction in military expenditures due to the lessening of the Soviet threat and the end of the Cold War.

Conclusion

The geopolitical [global chaos](#) that the world has been going through in the beginning of this 21st Century, the devastating 2008 financial crisis that imposed such heavy losses on so many people, and the threatening resurgence of the old Cold War with Russia, all have causes that can be traced back to short-sighted and disastrous decisions made by the Clinton administration in the 1990s.

The failed subsequent administrations of George W. Bush and of Barack H. Obama merely followed in the path open during the Clinton era. This is something that future historians will need to consider closely when attempting to understand the thread of events that created the apparent current chaos in many fields today.

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