

The social roots of the Clinton crisis

The Editorial Board
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The present furor over an alleged White House sexual liaison is only the latest in a string of scandals and investigations that date back to Clinton's 1992 election campaign and have dogged his administration from its inception. A significant section of the capitalist class is utilizing the immense resources at its disposal to discredit and destabilize the Clinton administration and, if possible, force it out of office.

There is no precedent for the quasi-judicial campaign against a sitting president currently being conducted by the independent counsel. The tactics employed by Kenneth Starr -- spreading salacious gossip, leaking sealed testimony, setting up sting operations, wiring informants, brow beating any and all witnesses who might be intimidated into providing damaging statements -- are methods traditionally used to prosecute mafia functionaries, or witch-hunt left-wing opponents of the government.

The fixation of the *Wall Street Journal*, and the corporate and political forces for whom it speaks, on the supposed crimes and misdemeanors of the Clinton White House frequently takes on the appearance of dementia. Within the past two weeks, for example, the *Journal* has published an editorial suggesting that Clinton suffers from a pathological personality disorder, and a column on Iraq (entitled "Let the Bombing Begin") that muses on the theme of Clinton and Saddam Hussein being "eerily alike."

On February 12 the *Journal* devoted its entire editorial page to what it called "a refresher course" on the Clinton scandals. Under the heading "Obstruction and Abuse: a Pattern," and complete with a cartoon of Clinton sexually harassing the female incarnation of justice, the *Journal* provided summaries of allegations against Clinton stretching back to the 1970s. Included were the Gennifer Flowers episode, Whitewater, Travelgate, Filegate, campaign finance probes, the Paula Jones and Monica Lewinsky cases, the conviction of Webster Hubbell, the suicide of Vincent Foster, and independent counsel investigations of four current or former Cabinet officials.

One cannot help but ask: "What is the cause and significance of this ferocious assault upon the president of the United States?" It must seem puzzling, even to more thoughtful observers, that a capitalist politician as conservative as Bill Clinton -- whose policies would have placed him, only a quarter of a century ago, well to the right of center in the Republican Party -- should evoke such a furious reaction from powerful sections of the business and political establishment. After all, this is a president whose major social initiative has been the gutting of welfare subsidies to the poor. When compared to the record of the Clinton administration, the years of Lyndon Johnson's Great Society, not to mention Franklin Roosevelt's New Deal, appear almost revolutionary.

Yet, there is a definite political logic that underlies the crisis swirling around the White House. This becomes clear if the scandal is examined not as an isolated event, but within the context of more profound processes and their impact on the major social classes in the United States during the past two decades.

Since the early 1980s, the government has spearheaded a thoroughgoing process of social retrogression in the United States. (This is not, of course, a purely American phenomenon.) On the basis of the dismantling of the welfare state, there has been a massive transfer of wealth from the working class to the upper layers of the middle class and the bourgeoisie.

These layers have grown rich beyond their wildest dreams. The ranks of millionaires and mega-millionaires have expanded considerably beyond the traditional bastions of inherited wealth, or what used to be called America's 60 Families.

While still a very small percentage of the population -- several million individuals out of a population of 270 million -- this extremely privileged layer among the professional and managerial elite has expanded in absolute numbers, and the amount of wealth it controls has enabled it to insulate itself from the increasingly dire problems that confront the masses of people below.

Over the same period, working people have seen their living standards stagnate or fall. The gap between the wealthy few and the masses has widened, and along with a heightened social and economic polarization has come an ever-greater isolation of the ruling circles from the general population.

The rich and the nouveau riche have increased their wealth for the most part on the basis of huge profits derived from various forms of financial speculation, at the center of which has been the phenomenal rise in the stock market. To an enormous extent, the economic elite owes its opulent lifestyle to the unprecedented rise of the bull market on Wall Street.

As the *New York Times* reported February 11, the share of household wealth in stock holdings is higher today than at any other time in the past 50 years, and perhaps the highest ever. Both the percentage of household wealth in stock market investments, and the percentage of financial assets accounted for by stock holdings, have doubled since 1990 when the latest run of the bull market began.

While to an unprecedented extent the rich have tied their fortunes to the success of the stock market, corporate America and the government have channeled the resources and savings of broader layers of the population into the market as well, in part by promoting such devices as individual IRAs and 401K plans, to the detriment of guaranteed pensions. They are now seeking to plunge the vast assets of the Social Security system into the market, in a bid to shore up the edifice of inflated share values. Not only the wealth of the rich, but the economic and political stability and internal cohesion of American society are predicated to an unparalleled degree on the vagaries of the stock exchange.

To foster and sustain the bull market a definite economic climate had to be established, one that promoted corporate profits and weakened government restrictions on the amassing of private wealth. Hence the policy of deregulation of industry and finance initiated by the Democratic Carter administration and the intensification of this policy under Reagan and Bush.

But this was just the beginning. If the rich were to tie their fortunes more directly than ever to the trajectory of the stock exchange -- relying more on a rise in the Dow Jones index, and less on the actual production and sale of commodities -- then the entire social policy of the government had to be directed toward the goal of increasing what business circles call "share owner value." Tax policy, budget policy, regulatory policy -- all had to be driven by the goal of insuring a steady rise in the value of privately-held assets, and that meant, in practical terms, maintaining the conditions for a continual rise in the stock market.

And so, for the past two decades, under Democratic as well as Republican presidents, fiscal and tax policies have been pushed through to shift the tax burden even farther from the rich, gut social programs and erase the federal budget deficit. To keep business profits high, the government has encouraged the corporate assault on jobs, restricting jobless benefits and other forms of social relief. It has fostered an economic environment in which job security could be undermined, the hours and intensity of work driven up, and the pool of low-wage labor expanded, in part through a vast increase in part-time and temporary labor and, with Clinton's welfare bill, the transformation of welfare into a forced work scheme.

These massive socioeconomic and political shifts, which have benefited the most privileged layers of society and devastated the lives of millions of workers, explain the acute sensitivity within the uppermost layers of American society to any perceived threat of vacillation or retreat. They underlie the apoplectic reaction of the Wall Street Journal and other sections of the corporate-controlled media to the election of Clinton. Even his essentially nebulous criticisms of the social policies of the Bush administration created a sense of unease. His early proposal, after the 1992 election, for guaranteed health care coverage prompted a storm of criticism throughout the media.

Clinton quickly and ignominiously abandoned his mildly reformist program. But despite his best efforts, he could never reassure his critics within the ruling class. Though he did their bidding, he did so too slowly and cautiously. What big business wants is an assault on every social reform and every curtailment of corporate power enacted in the course of the twentieth century. It demands a far more ruthless and rapid offensive. Everything, from child labor laws and universal public education to the progressive income tax, has to go. And a correspondingly authoritarian political regime must be established to impose such measures on a recalcitrant population. Clinton is, in its eyes, intolerably weak, timid, and too encumbered by the legacy of past policies of social reform.

On the international front as well, the unsatisfied global appetites of American capitalism will not tolerate obstructions, real or imagined. It is determined to guarantee and supplement its economic preeminence with military force. Here too, Clinton -- even as he prepares for war in the Persian Gulf -- is seen as far too cautious.

Such are the social and political underpinnings of the incessant conspiracies carried out from within the ruling circles against Clinton. Real economic interests drive sections of the corporate elite and their media and political spokesmen to the most radical tactics. Two years ago they shut down the federal government for weeks in an attempt to ram through their political agenda. Now they have manufactured a sex scandal to subvert the Clinton administration.

In this manhandling of Clinton by big business and the media one sees, played out before the public and in magnified form, the relation that exists between the corporate elite and all of its political servants. Those who wield great economic power do not hesitate to hold the feet of their hired hands in Congress, the courts or even the White House to the fire. Up to now big business has resorted to scandals and investigations whenever it sensed any waffling and felt the need to whip the Clinton administration back into line. But these same forces are quite prepared to bring the administration down, if they conclude it can no longer serve their purposes.

Such intrigues run the risk of discrediting the office of the presidency and the federal government as a whole. But there is a distinct element within the ruling class -- represented by such figures as Steven Forbes of *Forbes* magazine and Richard Mellon Scaife, the heir to the Mellon banking dynasty and financial backer of extreme right-wing groups, as well as a considerable faction within the Republican Congress -- which is determined to reshape the federal government. To them, the humbling of the presidency in the short term may be an acceptable price to pay for

achieving their long-term goals.

They have no use for a government that places even the most timid restrictions on their holy of holies, the capitalist market, or that functions, even in the most limited sense, as a dispenser of social welfare. They want a garrison state to oversee repression at home and organize military aggression abroad.

The present political crisis in America brings to mind certain historical precedents. This is not the first time that decadent ruling classes have resorted to methods of conspiracy and subversion in an attempt to claw back privileges which they believed to have been eroded. Such periods of virtual civil war within the highest circles of society and the state have often been the prelude to social upheavals of revolutionary proportions.

The crisis that led to the French Revolution of 1789 was set in motion by a conspiracy of the conservative nobility to destabilize the monarchy. In 1916 Russia the court of Tsar Nicholas II was a hotbed of slander and intrigue, as disaffected nobles discussed the prospects of a palace coup. These conspiracies culminated in the assassination of Rasputin in December of that year. Less than three months later the autocracy was toppled by the February Revolution.

The pace of events in present-day America is likely to be more protracted. To this point the working class remains politically disoriented and immobilized -- a factor which, in its own way, encourages the most radical and reckless elements within right-wing corporate and political circles.

But the deep political divisions within the ruling elite and the even more profound social fissures which underlie them can only denote the coming of a revolutionary crisis in America, which will bring the masses once again onto the historical stage.

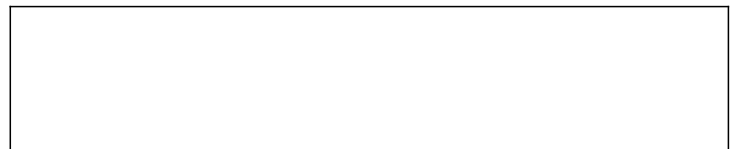
The unfolding political crisis confronts the working class with complex tasks. Workers must first of all understand the social forces that stand behind the lurid headlines and political dirty tricks. They must vigilantly defend their democratic rights and be aware that the political aims of those attacking the White House go far beyond the personality of Clinton. Ultimately, they are directed against the working class.

In resisting these conspiracies, workers must fight with their own methods and in their own interests. They must not subordinate themselves to Clinton or the Democratic Party. There is always the danger in such a situation that workers will feel compelled to choose sides, allying themselves with the "lesser evil" amongst the capitalist combatants. A long and tragic historical experience has demonstrated the futility and ultimate disaster of such a policy.

It must never be forgotten that Clinton is, whatever his troubles, a political enemy of the working class, within the United States and internationally. In the final analysis, he will defend, with all the necessary ruthlessness, the interests of American imperialism. The unfolding events in the Persian Gulf -- where Clinton is about to authorize the slaughter of countless thousands of Iraqis -- testify to this political fact.

Thus, on the foundation of its class independence, the working class must elaborate a socialist program that articulates the interests of the vast majority of the population, and, on the basis of this program, mobilize the masses in a struggle against the profit system and all of its political representatives. This is the only way to defend workers' social interests and democratic rights.

Therein lies the significance of the Socialist Equality Party in the United States. The emergence of such a mass political movement of the working class, based on the perspective of international socialism, is inseparably bound up with the building of the SEP.





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