

# Clinton's "anti-poverty" tour covers up deepening social polarization

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It is difficult to decide whether nausea or derision is the more appropriate response to President Clinton's four-day tour of some of the poorest areas of the United States and his appeals to thousands of impoverished working people and unemployed to put their faith in the profit system.

The six locations which Clinton visited are among the most devastated in America—Appalachia, the Delta region of the state of Mississippi, East St. Louis, Pine Ridge Indian reservation, south Phoenix, and Watts in south-central Los Angeles. The responsibility for the conditions which prevail there lies, not with the impoverished residents, but with the social system based on private profit. Yet Clinton's prescription for the mass poverty, deprivation and utter hopelessness caused by capitalism is ... more capitalism! It is as though the US president had decided to take a tour of bomb-ravaged Belgrade in which he announced to the Serbian people that all they needed to make things right was a few more NATO air strikes.

Clinton was the first president to visit Appalachia since Lyndon Johnson, the first to pay an official visit to an Indian reservation since Calvin Coolidge. This only demonstrates how consistently the American ruling class has shunned any contact with the poorest of the poor, through all the alternations of Republicans and Democrats, liberals and conservatives, in political office.

Clinton was not travelling to these areas to announce any major government initiative. He began his tour in Hazard, Kentucky, where Lyndon Johnson launched his abortive "war on poverty" in 1965. But the tiny scale of the programs which he proposed—\$1.5 million for housing, \$8 million for training, and tax incentives for corporations—only underscored the vast shift to the right in big business politics over the past three decades. Clinton made his tour, not to praise the war on poverty, but to bury it.

At each location Clinton commiserated with those facing poverty and unemployment while portraying their conditions as the unfinished business of an otherwise universally prosperous nation. "This is a time to bring more jobs and investment and hope to the areas of our country that have not fully participated in this economic recovery," he said in Kentucky.

"I came here in the hope that with the help of the business leaders here, we could say to every corporate leader in America: Take a look at investing in rural and inner-city America. It's good for business, good for America's growth, and it's the right thing to do."

Clinton suggested that corporations were not building factories

and shopping centers in poor areas because of a misunderstanding. He cited an HUD report that retailers were "missing major profit-making opportunities" by failing to operate in communities like East St. Louis and Watts where the residents have substantial purchasing power.

He hailed the participation of corporate executives and government officials in his tour of poverty areas, saying that as a result, "There is a much higher level of awareness among American business leaders that there is money to be made and a better society to be made at the same time in these neighborhoods."

The argument which Clinton was advancing has been developed for the White House by the Reverend Jesse Jackson, who in January launched a campaign to pressure Wall Street firms to support greater investment in poor areas. The basic premise is to urge corporate America to look upon these regions as it does the export-processing zones set up in Third World countries to exploit the cheap labor available there. As one local businessman in eastern Kentucky pleaded, "For the same reason industries are looking at Mexico, they need to look at us. We can provide it here."

The top White House economic adviser, Gene Sperling, chairman of the National Economic Council, declared that no one should confuse the Clinton anti-poverty tour with a return to 1960s liberalism. "This is not a matter of social justice, but of economics," he said.

The poverty tour was a lie on many levels. Most brazen was Clinton's claim that the rest of America, the entire country outside of these desperate "pockets of poverty," is enjoying remarkable prosperity. This presentation, uncritically echoed by the media, denies the reality of growing social polarization in America. While Wall Street booms, the living standards, not only of the poorest Americans, but of broad layers of working people, are declining or stagnant.

A report by the Census Bureau released Friday suggests the dimensions of the deepening social crisis in America. It found that 49 million people had difficulty paying important bills—rent, mortgage, utilities, food or medical care—during 1995. While these included most of those in the bottom 20 percent of income, more than eight million people with incomes above \$45,000 had difficulty paying for essentials at one time or another.

Even Clinton's description of the six poor areas themselves is grossly distorted.

Far from representing isolated exceptions, it would be more accurate to describe these blighted areas as the visible manifestations of an entire nation of the poor which goes entirely unmentioned and unnoticed by the media.

The conditions in these six areas are certainly terrible. The Pine Ridge reservation is in America's poorest county, with an official unemployment rate of 73 percent, plagued by alcoholism, with a male life expectancy of only 45 years. The poverty rate in East St. Louis is 40 percent, in Clarksdale in the Mississippi delta region, 37.4 percent. The per capita income in Watts is only \$5,000, compared to \$18,000 in surrounding Los Angeles County. In the six areas as a whole, 60 percent of all young people are neither working nor in school.

But Clinton did not have to board a jet plane or a Marine Corps helicopter to find such dire poverty. It exists only a few blocks from the White House—and it is only that far away because the Washington DC police have cleared the homeless from Lafayette Park. Every major American city has its blighted neighborhoods, where unemployment, poverty, drug abuse and other social evils rage unabated.

Twenty percent of all US children live in poverty, and their conditions have worsened in recent years, with the cutoff of welfare programs and the widening gap between rich and poor. According to one study, the number of people living in extreme poverty has actually risen from 13.9 million in 1995 to 14.6 million 1997, despite the booming economy. The government defines "extreme poverty" as an income less than half the official poverty level, or about \$6,750 in annual income for a family of three.

This is an enormous number of people living at the bare margin of existence. If these 14.6 million in extreme poverty were a state, they would be the fourth largest, following only California, Texas and New York. Yet their very existence goes virtually unnoticed in media, government and corporate circles.

What Clinton offered to these poverty-stricken millions was also a lie. He claimed that the answer to mass unemployment and poverty was to encourage private business investment in blighted areas through a "New Markets Initiative" which the administration is proposing to the Republican Congress.

The federal government would offer \$890 million in tax credits for corporations and businesses which made investments in the poorest city neighborhoods and rural areas, a program which, even if fully subscribed by private industry—something which no political or business analyst expects—would still represent only a drop in the bucket, about \$6 billion in a \$10 trillion economy.

Clinton denied any social contradictions in America between rich and poor, declaring, in his last speech of the tour, "Every time we hire a young person off the streets in Watts, we are helping people who live in the ritziest suburbs in America to continue to enjoy a rising stock market." How so?

The stock market boom is directly related to the conditions in Watts in two ways: the boom has coincided with low inflation, i.e., the suppression of wages struggles and a steady deterioration in living standards for the working class, and especially its poorest layers. It is a well-known feature of the stock market that lower unemployment numbers are considered a negative for Wall Street,

while higher unemployment is considered a positive.

In current media discussions of the US economy, the tight labor market is invariably cited as a major worry for investors, who are concerned precisely that the "young person off the streets in Watts" will no longer be exerting a downward pressure on wages.

Moreover, the stock market boom has coincided with social policies which deliberately worsened the conditions of the poorest sections of the working class in order to finance tax cuts for the wealthy. Clinton and the Republican Congress have joined forces both to terminate federal welfare programs and enact a huge cut in the capital gains tax.

The areas visited by Clinton are themselves monuments to the reality of class contradictions in America. Appalachia is a region, not of "natural" poverty, but of great mineral wealth. Billions in profits were extracted from the coal fields of West Virginia, Kentucky and other Appalachian states, feeding some of the great fortunes of the 19th century, and continuing to enrich corporate America in the 20th. But what do the children and grandchildren of the coal miners have to show for it?

The delta region of Mississippi is a rich agricultural area, but the conditions of life for those who labor in the fields and in food processing industries are abysmal. Watts too was the center of a large industrial area during the decades which followed World War II, before the closure of auto, rubber and steel plants.

The entire premise of the anti-poverty effort is bogus. In portraying severe poverty as though it was an aberration, in which isolated areas have unaccountably failed to share in a national bonanza, Clinton denies what is understood, not only by socialists, but by all serious and conscientious analysts of the growing social polarization in America. Poverty is not an accident or a mistake, but an inevitable byproduct of the operation of capitalism as a social system, a result of the vast transfer of wealth from the working people, society's producers, into the pockets of the corporate elite.



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