

Kerry campaigns as candidate of big business

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Historically, the Democratic Party has cast itself as the “party of the people.” It claimed to stand up for the “common man” against those whom Franklin D. Roosevelt described as the “economic royalists.”

But that was 65 years ago. How far this party has shifted to the right, abandoning the last vestiges of liberal social reform, was on display this week, as its presidential candidate John Kerry surrounded himself with the modern-day princes of great wealth.

The Kerry campaign Wednesday released the names of 200 billionaire and multi-millionaire financiers and corporate executives who have endorsed his run for the presidency, touting their support for his campaign as proof that he is a “responsible” candidate who will protect the interests of American capitalism.

While the Bush campaign countered that they could easily come up with a far larger roster of capitalists backing the incumbent, the number in Kerry’s corner was nonetheless significant. Most chiefs of big business have historically been Republicans, and there is generally little incentive to publicly oppose an incumbent president whose party controls both houses of Congress.

When Bill Clinton challenged the elder Bush for the presidency in 1992, it should be recalled, he could count on only a handful of Wall Street and corporate backers. The very fact that he publicly appealed for support from these circles was considered a break from Democratic tradition.

The release of the list of super-rich Kerry endorsers was accompanied by an “economic summit” in Davenport, Iowa. These ritualized affairs—ostensibly “frank discussions” about the American economy—have become part of the stock-in-trade of both parties. They were employed by both Clinton and George W. Bush to demonstrate their “concern” for the plight of ordinary people and mask the fact that their policies were directed entirely to furthering the interests of the US financial oligarchy, at the expense of the masses of working people.

As is the norm, a delegation of trade union bureaucrats was brought to the table to serve as extras, whose presence is supposed to signify that billionaire investors and unemployed workers alike are “all in the same boat.”

Among those coming forward to back Kerry are some of the most ruthless elements at the pinnacle of US financial and industrial capital—some of them life-long Republicans who publicly campaigned for Bush in the 2000 election. A prominent participant at the Iowa summit was Lee Iacocca—responsible for the one of the greatest rounds of layoffs and wage cuts in US corporate history—who summed up the thinking in these circles by declaring: “The bottom line is simple: we need a new CEO.”

Also on the list was David Bonderman, a founding partner of the buyout firm Texas Pacific Group. The Fort Worth-based financier made his fortune off the bankruptcies of Continental and American West airlines, and is presently involved in a leveraged buyout bid

against Enron. He was a prominent backer of the incumbent both in Bush’s campaign to become Texas governor and in his first run for the presidency.

Speaking to the *Wall Street Journal* from a chartered yacht off the coast of Italy, Bonderman said: “George is really a good guy personally. But his policies are really terrible... He’s turning out to be the worst president since Millard Fillmore—and that’s probably an insult to Millard Fillmore.”

Another former Bush supporter at Kerry’s summit was Owsley Brown, the head of Brown-Forman, the maker of Jack Daniels whisky. He told the *Journal*: “It’s of course not something done lightly and certainly not for someone like me—a registered Republican all my life.” He added that he was “looking for the kind of leadership that Senator Kerry will bring, certainly in fiscal matters.”

Also on the list were: Bank of America Chairman Charles Gifford; August A. Busch IV, president of Anheuser-Busch; Peter Chernin, second-in-command at Rupert Murdoch’s News Corporation; Jeff Brotman, founder of Costco Wholesale Corp.; and Texas-based Wyndam Hotels CEO Fred Kleisner, who gave strong financial backing to Bush in 2000.

In many cases, those on the list are well known for carrying out precisely the practices—particularly the shifting of operations overseas to capitalize on low wages—that Kerry has denounced on the campaign trail. Understandably, Kerry did not reprise the protectionist demagoguery about “Benedict Arnold corporations” that he employed during the primaries.

Why would such elements, who have reaped substantial rewards from the plundering of the country’s resources to finance the massive tax cuts of the last four years, turn to Kerry instead of Bush?

Kerry, who sits on one of the largest family fortunes in the country, is no stranger to these circles. The endorsements from Wall Street executives included not a few that can be traced back to services rendered by the Massachusetts senator. According to the book *Buying of the President, 2004*, by Charles Lewis, “Since 1995, he (Kerry) raised more than \$30 million for his various campaigns, most of it from industries such as finance and telecommunications companies—which are overseen by the Senate committees he serves on.”

The Democrats have tailored their campaign platform to appeal to the American financial oligarchy. Dedicated largely to war and “homeland security,” it contains not a hint of significant social reform.

Instead, it affirms the “free-market” creed: “We believe the private sector, not the government, is the engine of economic growth and job creation. Government’s responsibility is to create an environment that will promote private sector investment, foster vigorous competition, and strengthen the foundations of an innovative economy.” It promises that “Under John Kerry and John Edwards, 99 percent of

American businesses will pay lower taxes than today.”

Over and over again, the platform’s section on the economy vows that a Kerry administration will confront the challenge of capitalist globalization with a drive to renew “American competitiveness” in world markets. It says a Kerry administration will be committed to “strengthening our workers’ ability to compete” and states the Democrats’ belief that “our companies can keep and create jobs in America without sacrificing competitiveness.”

The thrust of this argument is that American workers must subordinate themselves to the drive to make American capitalism more globally competitive. Under conditions in which the economy is dominated by transnational corporations capable of moving production from continent to continent almost at will, this can only mean submitting to cuts in wages, benefits and working conditions in order to narrow the gap between the conditions of American workers and those who face the most brutal forms of exploitation—from Mexico to Eastern Europe to India.

There is doubtless sentiment among some within the financial elite that Bush and his administration have become too discredited among working people to impose further sacrifice and austerity without provoking social unrest.

That a further onslaught on working class living standards is on the agenda is unquestionable. The US economy has grown increasingly unstable and vulnerable to crises. The latest federal budget deficit of \$445 billion is the largest in the country’s history. The massive US trade deficit is expected to grow by another \$600 billion this year alone. The dollar has lost nearly 20 percent of its value against other foreign currencies since 2002.

The price of crude oil, meanwhile, has hit a 21-year high, rising almost 40 percent in the last year alone. There are growing signs that spiraling oil prices could touch off a devastating combination of inflation and recession. The Bush administration’s talk of economic expansion has grown increasingly hollow, with job creation declining for the last four months, and a mere 32,000 workers being added to payrolls in July—some 200,000 less than economists had projected.

Kerry has vowed to tackle the US economic crisis by cutting the federal deficit in half during his first four-year term. He claims this will be accomplished through a combination of roll-backs of some of the Bush administration’s tax cuts for the top 1 percent of the population and a fiscal austerity policy requiring the government to be run on a “pay as you go” basis, including automatic spending cuts.

Most economic analysts have concluded that the pledge to reduce the deficit is incompatible with Kerry’s modest plans for expanding health care programs. There is also widespread skepticism about the ability of a Kerry administration to reverse tax cuts in the face of stiff opposition from the Republicans.

Kerry has repeatedly stated that the Pentagon’s swollen budget—\$416 billion this year—will be untouchable. Every program already on the books—including the “Star Wars” missile defense scheme—will go through. Meanwhile, the Democratic candidate has said he is prepared to keep US troops in Iraq for at least another four years, guaranteeing hundreds of billions of dollars more in military expenditures.

Given this commitment to militarism and the inevitable stonewalling of any attempt at a significant reversal of tax cuts, a Kerry administration would rapidly confront a severe fiscal crisis. It would inevitably jettison its health care proposals and respond with budget-cutting measures that would effectively demolish what remains of the social programs and benefits implemented from the 1930s to the

1960s.

Here the record of the Clinton administration, which operated in a far more favorable economic environment, is instructive. In the face of Republican opposition, it abandoned its health care reform proposals during its first year and embarked on a fiscal austerity program that virtually eliminated welfare for the poor. The “liberalism” of Kerry and Edwards will prove equally bankrupt.

Just as a Kerry administration is committed to continuing the war in Iraq and the underlying policies of global militarism, in the name of a war on terror, so domestically it would carry forward essentially the same draconian social policies that the Bush administration has prepared in advance.

The extreme right-wing leadership in the Republican administration and Congress has deliberately stoked the US fiscal crisis, calculating that federal insolvency will compel the next government to gut social welfare programs—in particular Social Security—no matter who occupies the White House in 2005.

Putting a Democrat, backed by the union bureaucracy, in the White House to carry out a scorched earth policy of social cuts has a definite appeal to more far-sighted elements within the financial elite. They believe that a Democratic administration would be better able to stave off, at least temporarily, a wave of social unrest against both the war in Iraq and the deteriorating economic situation at home.

The embrace of Kerry by significant sections of big business must serve as a warning: no matter which party controls the White House, 2005 will see an escalating attack on jobs, living standards and basic democratic and social rights. If Kerry is elected, the Democrats’ limited campaign promises will soon evaporate, and his administration’s policies will be driven by the crisis of American capitalism and the demands of the financial oligarchy.

There is no way out of the conditions of mounting economic insecurity, deepening social inequality and falling living standards that dominate American society outside of the fight for a socialist program that advocates the reorganization of economic life in the interests of the broad mass of working people.

The Socialist Equality Party is running in the 2004 election to advance such a program. It advances policies that take as their starting point the mobilization of society’s immense resources to improve living standards, create jobs and finance health care, education, and housing, rather than the subordination of the productive forces to the maximization of profit and the further enrichment of a tiny elite.

Our campaign is dedicated to the political preparation of the mass, independent socialist movement of the working class that will be required in the coming struggles. We urge all of our supporters and readers to join the SEP campaign today. Participate in the fight to place our candidates—both myself and my vice-presidential running mate Jim Lawrence, as well as our congressional and local candidates—on the ballot. Make the SEP’s campaign and platform known throughout the country, and make the decision to join our party and take up the struggle for a better world.



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