

The economics of militarism

Hillary Clinton outlines Democrats' big business agenda

Bill Van Auken, SEP candidate for US Senate, New York
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New York's Democratic Senator Hillary Clinton delivered a speech last week to the Economic Club of Chicago that served as an introduction to the right-wing economic platform upon which she and her party intend to run in the 2006 US midterm elections, as well as her own agenda in an expected bid for the Democratic presidential nomination in 2008.

It is a program that begins with the needs of big business and the defense of the wealth of the top 1 percent of the population, to which she and her major backers belong. It reveals, moreover, the economic foundation of the support provided by Clinton and the Democratic leadership for the ongoing war in Iraq and the threat of new wars against Iran and other countries—acts of aggression that are bound up with a policy of global militarism conducted in the interests of America's ruling elite.

Couched in the empty boosterism and sanctimonious phraseology that is the stock-in-trade of such affairs, Clinton's April 11 remarks were directed at making it clear to the assembled Chicago businessmen that she is indeed one of them—not merely as a native daughter of a Chicago Republican textile supply merchant, but also in terms of fundamental social interests and outlook.

While before some audiences Clinton still engages in hollow rhetoric about the social needs of average working people, in Chicago the subtext was, "What is good for business is good for America."

The object of undeserved and obsessive vilification by the Republican right, who consider her an icon of Democratic liberalism, Hillary Clinton has gone to comical lengths to prove her conservative credentials—her crusades against video games and flag-burning being two recent examples.

The Chicago speech was along similar lines: She not only reverentially quoted Ronald Reagan at length, but also invoked the views of Lawrence Lindsey, Bush's former top economic advisor and architect of the massive tax cuts for the rich. As part of this right-wing name-dropping, she boasted of her recent political collaboration with former House Republican leader Newt Gingrich, who led the drive to impeach her husband, as well as with the current Republican leader of the Senate, Bill Frist, on health legislation tailored to the needs of big business.

The main substance of her remarks—amid rhetoric about the need to "strengthen the middle class"—centered on the question of how

to "deal with globalization and the competitive threat that it poses." Her prescription, coupled with the assurance that she is not talking about "throwing money" at social problems, is a slightly greater government role in "incentivising" investment in research and manufacturing.

Support for manufacturing, she affirmed, provides jobs. She then made it clear that even more important is the fact that it "provides us with strategic security."

"Do we really want the production of high-tech components of our satellites, our missiles, our planes to be completely out of our hands?" she asked her audience.

Clinton continued by invoking the growing budget deficits and America's emergence as the world's greatest debtor nation. "I'm concerned that countries like China have so much control over our financial future," she said.

Her solution: A return to "fiscal discipline" and a "pay as you go" regime of economic austerity. "I think a return to fiscal discipline, living within our means, is essential for our long-term health," Clinton declared. "It is also critical to whether or not we control our destiny as a nation."

This theme was coupled with rather tepid warnings that the continued unrestrained growth of profits at the expense of wages could threaten the interests of the American ruling elite itself, among whom Hillary Clinton clearly includes herself. "With all due respect to many of us in this room tonight, America did not build the greatest economy in the world because we had rich people," she said, adding that the real foundation was the "American middle class."

Lamenting the increasing costs of education, health care, transportation and other necessities, she said, "We should not in a globalized world face a choice between profits and pensions." She hastened to add, however, "I understand that the world has changed and what used to work 50 years ago doesn't work today. But that's why we need to rethink our industrial age bargain and come up with a new one that really keeps faith with the American middle class."

This remark constitutes a tacit endorsement not only of the drive by corporate America to liberate itself from all pension obligations to its workers, but also of sweeping counter-reforms to the existing Social Security system. This is precisely what Senator Clinton's allies in the Democratic Party are preparing. A group of them,

including investment banker Robert Rubin, treasury secretary in the administration of Bill Clinton, announced earlier this month the creation of the “Hamilton Project,” dedicated to confronting fiscal imbalances and the mounting budget deficit. The group advocates “entitlement reform,” a euphemism for taking a meat cleaver to fundamental social programs like Social Security and Medicare.

Significantly, in the course of her remarks, Clinton cited Corning, Inc. of upstate New York as an example of the “‘can do’ spirit that really is the fuel for the free enterprise economy.” Since Clinton took office as a senator from New York five years ago, Corning has embarked on a brutal campaign of plant closings and mass layoffs that has cut its workforce nearly in half, costing over 20,000 jobs.

During this same period, the company cemented close ties with the state’s new senator, donating close to \$140,000 to her campaign fund since she first ran in 2000. The *New York Times* recently noted that the company had “supported Republican candidates for so long that its chairman once joked that it had not raised money for a Democrat since 1812.”

It is donations like these—given because Hillary Clinton defends the interests of the corporations at the expense of working people no less than the Republicans—that have helped swell her campaign fund to some \$20 million, the highest amount amassed by any Democratic politician.

While extolling the virtues of this ruthless corporate policy of destroying tens of thousands of jobs, Clinton tipped her hat briefly to the working poor, declaring, “I want to send the signal to every one of the people who served us tonight in this hotel ... we want them to be successful, as well.” So much for the “party of the people” and “reform.”

There was nothing new in Clinton’s speech. It merely exposed the Democratic Party once again as the partner of the Bush administration and the Republicans in defending the global and domestic interests of the US corporate and financial ruling elite. To the extent that Clinton articulated any differences with the Bush administration’s policies, they were purely of a tactical nature, centering on how best to uphold the interests of the financial oligarchy that rules America. Like others within this ruling layer, her concern is that the policies of the administration are turning the country into a social and political powder keg with potentially revolutionary implications.

But, because she—like the Republicans—represents the same class of corporate executives and the super-rich that made up much of her audience in Chicago, she is incapable of advancing any genuine alternative. As with the war in Iraq, which she voted to authorize and continues to support, she criticizes the Bush administration for *mismanaging* economic policy, not for defending a system that systematically subordinates the needs of the people to the profit interests of big business.

The element of economic nationalism in her speech, by which US manufacturing policy is presented as a matter of “strategic security” bound up with confronting “globalization and its competitive threats,” contains within it the real motive force for the war in Iraq and the threat of even greater wars to come. Clinton shares the consensus policy of the US ruling elite of utilizing

American military power to offset relative economic decline through the seizure of markets and raw materials—particularly oil—at the expense of American capitalism’s rivals.

Clinton’s Chicago speech is just one more demonstration of the real social interests she and her party defend. Between her and whomever the Republicans nominate as their candidate for the Senate, New York voters will have nothing to choose from, whether it concerns the ongoing war in Iraq or the class war that is being conducted at home to enrich the wealthiest social layers at the expense of the working population.

The Socialist Equality Party is intervening in the 2006 election and has nominated me as its candidate for US senator from New York to provide a genuine alternative for working people. Against Clinton’s support for the war in Iraq, the SEP demands immediate and unconditional withdrawal of all US troops and holding accountable all those responsible for dragging the American people, by means of conspiracy and lies, into this illegal aggression.

We reject the claim that globalization requires that US workers compete with lower-wage workers in other countries by accepting wage cuts and the destruction of past social gains. That is a lie. The global integration of production creates the conditions for a vast improvement in living standards all over the world. The problem is that these internationally integrated productive forces are subordinated to the profit interests of a narrow ruling elite, which pits workers against each other to further its own interests.

Against the divide-and-conquer strategy of the transnational corporations and international banks, the SEP advances an internationalist program for politically uniting American workers with working people throughout the world in a common struggle to reorganize the economy on socialist foundations—that is, on the basis of social need rather than profit, to eliminate poverty and foster social equality.

My party advances a program of concrete measures to achieve these aims, including the demand that tax policy be radically transformed, through the repeal of two decades worth of tax cuts for the wealthy and a sharp increase in taxes on corporations and the super-rich, combined with a substantial reduction in the tax burden for the great majority. To reorganize economic life along rational, egalitarian and socially constructive lines, we call for the transformation of major corporations into public utilities under the democratic control of the working population.

The first step in fighting for these goals is to break with the Democrats and begin building a mass socialist party of the working class. That is the goal pursued by the Socialist Equality Party in its intervention in the 2006 election.

I urge all those who support these aims to seriously study our program and join in the fight to place the Socialist Equality Party on the ballot in New York, California, Michigan and the other regions where the SEP is running candidates.



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