

# Why the Clintons' profiting off near-slavery is not a campaign issue

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In the long run-up to the Pennsylvania primary, the Democratic campaign has descended ever deeper into a negative and personal mudslinging contest between the two remaining contenders, Hillary Clinton and Barack Obama.

Broadcast news cycles have become dominated by an unending stream of barbs and accusations from each side, the most prevalent of late dealing, on the one hand, with sermons delivered by the pastor of Obama's church and, on the other, with Hillary Clinton's flight of the imagination to Bosnia a dozen years ago.

It is curious that in this toxic political environment, the Obama campaign has steered clear of one revelation concerning the Clintons that surfaced earlier this month. The media has virtually ignored it as well.

Last month, agents of the Brazilian Labor Ministry's slave-labor investigations unit raided facilities run by Brenco (Brazil Renewable Energy Co.), a biofuel company operating in the states of Goiás and Mato Grosso, where some 1,500 workers, most of them cane cutters, were kept in what the ministry described as "degrading" conditions akin to slavery.

Workers at five separate locations inspected by the ministry "complained they were suffering from hunger and cold, and all of the locations were overcrowded and with terrible sanitary conditions. They were apparently held against their will in the abysmal housing provided them, not allowed to leave after their workday was through.

Details of the raids first surfaced in *Folha de São Paulo*, Brazil's largest newspaper, on March 8. Hundreds of workers freed in the raids managed to get their final wages and a bus ticket home, most of them returning to the impoverished northeastern states of Ceará, Maranhão and Piauí.

What was also revealed in the investigation was that

former US president—and husband of the Democratic presidential candidate—Bill Clinton was an investor in the firm.

According to a financial disclosure form filed by Hillary Clinton last year, the couple's stake in Brenco was valued at up to \$50,000.

A Clinton spokesman described the investment as "small" and claimed that the ex-president had been assured that the Brazilian company was "committed to the highest ethical standard with regard to the treatment of its workforce and the environment."

While \$50,000 may be small for the Clintons—Hillary Clinton reported income as high as \$12 million on her Senate disclosure form last May—it is more than an average American household earns in a year. And it would take the cane cutters whose labor is the base of Brenco's profits 22 years to earn that much money—a physical impossibility given the exceedingly short life expectancy of those doing this back-breaking work.

Clinton's feigned shock over the appalling working and living conditions of the Brenco workers is hardly credible. The grinding oppression of the some 200,000 cane cutters who are exploited by Brazil's growing and highly profitable ethanol industry is hardly unknown. As a WSWs correspondent from São Paulo noted in an article last June on a cane cutter dying from overwork, these workers confront "a world of wage slavery in which the precarious conditions of labor have reduced the working life of the average cane cutter to below that of the slaves of the nineteenth century."

As for Clinton's faith that the industry was maintaining the "highest standards" in relation to the environment, this is merely laughable. The ethanol boom's promotion of a sugarcane monoculture, the burning of fields and the dumping of waste threaten to unleash an ecological catastrophe.

The reality is that the Clintons' investment in a slave-labor ethanol firm in Brazil is merely a manifestation of the way in which the couple have enriched themselves on the basis of political connections established while they were in the White House.

The investment was made through Yucaipa Co., a Los Angeles-based private equity firm, run by billionaire Democratic Party fundraiser and Clinton confidante Ron Burkle. Bill Clinton was hired by the firm as an "advisor" and is expected to get a payout of some \$20 million when he leaves it, probably in the coming months.

This immense wealth flowing to the Clintons on the basis of their political connections is what made it possible for Hillary Clinton to plunk down \$5 million of her own money to bail out a near-bankrupt campaign earlier this year.

Bill Clinton's spokesman, Matt McKenna, told the Associated Press that the former president is "taking steps to ensure that there is an appropriate transition for his business relationships should Senator Clinton become the Democratic nominee." According to some reports, one of these "steps" has included investing his money in Yucaipa's Cayman Island-based firms, a tactic used to avoid paying taxes.

The Brenco investment was no accident, but clearly something offered to the well connected with the expectation of super-profits. The company was founded by Henri Philippe Reichstul, the former chief executive of Brazil's powerful state-owned oil firm, Petrobras. According to *Folha*, others who have invested in Brenco include close Clinton ally James Wolfensohn, the former World Bank president, Hollywood producer and Democratic fundraiser Steven Bing, America Online founder Stephen Case and Sun Microsystems co-founder Vinod Khosla.

Given the bitter and often personal attacks that have characterized both sides during the contest for the Democratic presidential nomination, one might expect the revelation that the Clintons were profiting off an insider deal that put their money into a slave-labor operation in Brazil would provide valuable ammunition for the Obama campaign. Yet the Illinois Senator's camp has said nothing about the matter.

Similarly, the revelation got the scantest coverage in the press. A Google News search for "Clinton" and "Brenco" turns up just four entries, none of them from

a US daily newspaper or broadcast network.

Why is the subject virtually taboo? Quite simply because the behavior of the Clintons is not an aberration, but rather the norm for bourgeois politics in America.

While the Obamas trail far behind the Clintons in terms of personal wealth, their gross income increased fivefold since his taking office in the US Senate, averaging \$1.3 million a year in 2005 and 2006.

Moreover, both of the candidates' campaigns are richly funded by Wall Street. Senator Clinton has received some \$6.29 million in political contributions from the securities and investment industries, while Senator Obama trails only slightly, with \$6.03 million. Both have raked in more than double the amount that has gone to the Republican Party's presumptive nominee, John McCain, and more than four times as much as Al Gore received over the entire 2000 campaign.

Wall Street's immense profits over the past period have been accrued in no small measure by investments in what is known in the financial industry as "emerging markets," where brutal exploitation like that imposed upon the Brazilian cane cutters produces handsome returns for the multimillionaires and billionaires who dominate the markets.

Neither Obama nor Clinton has any interest in casting a spotlight on these ugly truths, given that both candidates posture as economic populists to win votes, while remaining firmly committed to defending the profit interests of a ruling financial elite into which they themselves are being integrated.



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