The Clintons cash in: Wealth and American politics

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In tax filings released last week, Democratic Party presidential hopeful Sen. Hillary Clinton of New York and her husband, former President Bill Clinton, reported earnings of some $109 million in the years 2000 to 2007.

These figures put the Clintons, who have become something of a political dynasty, among the top .01 percent of taxpayers in the US, according to the *Wall Street Journal*, or among the 14,500 richest families, according to Britain's *Sunday Times*. By either calculation, they are firmly entrenched in the wealthiest portion of the population.

The total income translates to about $13.6 million a year. Even after taxes, the Clintons pulled in $10 million a year, or about 200 times the median family income in the United States.

The Clinton duo's income has risen astronomically over the past eight years and its meteoric rise began immediately after the end of the president's term in office in 2001. *Forbes* magazine noted, "In 2000, Bill Clinton's final year in office, the First Couple's income was $350,000; the next year, it rose to $16 million. Their most lucrative years were 2004 and 2007, when they twice made $20 million." In other words, in 2007 the Clintons made 57 times more than they did in 2000. These are remarkable figures.

Particularly significant is the utterly shameless manner in which Bill Clinton has leveraged his status as a former president and "celebrity" into a personal fortune.

A bit less than half of the couple's income, approximately $52 million, came from speeches given by Bill Clinton, primarily to corporations and business groups, generally at the rate of $100,000 to $450,000 an appearance. These payments are rendered not so much for the content of the speeches themselves, which are negligible in every respect, but rather as something of a lubricant between the cogwheels of the corporate and political establishments.

The list of companies hosting the former president includes: Wall Street firms Goldman Sachs and Lehman Brothers; corporate giants General Motors, IBM and Cisco Systems; and business trade groups including the National Association of Realtors and the Mortgage Bankers Association. Many of the companies are major donors to Hillary Clinton's current campaign for the Democratic presidential nomination.

In addition to speaking fees, the Clintons earned together about $40 million from royalties on their books, and another $15 million or so through investments, particularly in one investment fund run by a close Clinton supporter, supermarket magnate Ron Burkle. With a net worth of $3.5 billion, Burkle ranks 307th on a recent *Fortune* list of the world's richest individuals.

For most of the period covered by the filings, Bill Clinton has served as a "financial advisor" for Burkle's fund, Yucaipa Global Opportunities Fund. He has used his name and contacts to pull in investors for Burkle—he is a "rainmaker" in the lexicon of American business. Clinton is set to leave the fund soon, to avoid conflict of interest charges if his wife receives the Democratic presidential nod. A departure agreement is expected to net Clinton an additional $20 million.

Burkle is a major Democratic Party contributor and helped organize a $1 million fundraiser for Hillary Clinton last March at his Beverly Hills mansion. He has developed close ties with members of the Democratic establishment in California, including the Speaker of the House of Representatives, Nancy Pelosi, among others. He has also established links with the trade union bureaucracy in the state.

Burkle's investment fund, Yucaipa, has come under criticism for some shady investment practices. In one deal, Bill Clinton was brought on board to persuade the Teamsters union to accept a 15 percent wage cut at Allied Holdings, a transportation services and logistics company, to bring it out of bankruptcy after it was bought up by Yucaipa.

Yucaipa was also invested in a Brazilian company that has been accused of keeping workers in near-slavery conditions. (See: "Why the Clintons' profiting off near-slavery is not a campaign issue")

The Clinton campaign has pointed to the family's charitable contributions to distract attention from the enormous family income, but even here there are questions. The *Wall Street Journal* editorial page, which of course has its own reasons for criticizing the Clintons, pointed out Monday, "Intriguingly, nearly all the donations went to the Clinton Family Foundation, which has disbursed only half the money. The Clintons can thus use the foundation for, er, strategic giving, such as the $100,000 it donated last year to a local South Carolina library—the day after Mrs. Clinton debated in that key primary state."

The Clinton Family Foundation began disbursing most of its funds only after Hillary Clinton announced her election campaign. The *Journal* continues, "Similar conflict-of-interest questions apply to the separate William Jefferson Clinton Foundation, for which the couple has so far refused to release a list of donors. Such a list could contain more of the likes of Canadian mining tycoon

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Frank Giustra, who took Mr. Clinton along on a trip to Kazakhstan as a character reference, won a Kazakh mining concession, and gave more than $30 million to the foundation."

The *Sunday Times*, meanwhile, noted, "In 2006 the couple acquired an interest through a blind trust in a private investment fund based in the Cayman Islands, which is connected to Haim Saban. He is a billionaire Hollywood mogul and a big fundraiser for Hillary Clinton." Such filthy connections abound.

Wealth in American politics is hardly something new, of course. Several political dynasties in the 20th century have been associated with vast family fortunes—the Roosevelts, the Kennedys and the Rockefellers, for example.

What is remarkable now is the ubiquity of vast wealth in the political process and the brazen fashion in which politicians of both parties use their access to public office as a means for personal enrichment. This has become an increasingly prominent aspect of American politics over the past several decades.

Without idealizing any US president in the modern era, trusted defenders of the existing social order to a man, the notion of "cashing in" on a term or two in the White House for personal gain was largely unknown until the Reagan-Bush-Clinton era. According to an anecdote that may or may not be apocryphal, when President Harry Truman was preparing to leave office, he reportedly asked Secretary of State Dean Acheson how he ought to conduct himself after his term was completed. Acheson, the story goes, responded, "As the American people would have you conduct yourself."

What in an earlier period would have been recognized and characterized as corruption is now the norm, practiced openly and shamelessly. If not during office, then immediately afterward, politicians feel perfectly free to stick their noses in the trough.

In their personal evolution, the Clintons embody a certain transformations of the Democratic Party itself. They have become members of a social milieu that the policies of the Democrats helped create—a layer that became hugely wealthy during the 1990s, when inequality in the US soared to extraordinary levels, largely though stock market speculation.

The Clintons are hardly alone in their good fortune. While the Democratic Party has always represented a section of the ruling class, increasingly its leading figures are themselves fabulously wealthy, either coming directly from the corporate world, marrying into wealth, or leveraging their political ties to big business to open up doors and prepare for careers on corporate boards of directors

The Obamas are not yet at the level of the Clintons, but they have aspirations. In any case, Barack Obama and his wife are better off now than the Clintons were in 1992, the year of Bill Clinton's first presidential run.

In 2005 and 2006, the Obamas reported an average income of $1.3 million, five times more than they made before Obama was elected to the US Senate. Election to the presidency would open doors for Obama to national and global corporations that, after a few years, would make this income seem like pocket change. As the Illinois senator recently told *Business Week* magazine, "I believe in entrepreneurship. I believe in capitalism, and I want to do what works."

All three leading contenders for the Democratic nomination in 2008 were millionaires. John Edwards, the former North Carolina senator and candidate for the Democratic nomination, was estimated in 2003 to be worth anywhere from $13 to $60 million.

About half of US Senators and nearly a third of US Representatives are millionaires, many of them Democrats. Naturally, the Republican Party has no shortage of multi-millionaires. In terms of personal wealth, Clinton trailed only former Massachusetts governor Mitt Romney among major presidential candidates.

At the same time, access to personal wealth has become almost a prerequisite for achieving political office. An individual with a large personal fortune can very easily become a major contender in a presidential race; however, it is virtually impossible for parties or individuals without access to such funds to even obtain ballot status in the majority of American states.

The wealth of the leading Democrats makes a mockery of their occasional populist rhetoric. These people do not and cannot stand for the "little man" or "woman." Last week, for example, Clinton met briefly with protesting independent truckers in Pennsylvania demanding that something be done about ruinous diesel fuel prices. Signs called for "fair fuel prices." For the New York senator, this made for a useful photo opportunity.

However, Clinton's 2008 presidential bid has received almost $900,000 in donations from the energy and natural resources sector as a whole, according to OpenSecrets.org, more than Republican Sen. John McCain of Arizona, and over $300,000 from oil and natural gas companies. Having paid the piper, these corporations call the tune.

The arguments by various left liberal forces, like the *Nation* magazine, that "progressives" should "exert pressure" on Clinton and Obama in order to move them to the left are empty and absurd. These figures in the Democratic Party are millionaire politicians, who have enriched themselves along with the rest of a crass, shortsighted nouveau riche. They have no intention of hindering in any serious manner the private accumulation of fortunes by their fellow millionaires.

The direct rule by the wealthy exposes the degeneration of what is supposed to be the democratic process in the United States.

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