

Mark Penn, Hillary Clinton and the corporate domination of the Democratic Party

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The resignation of Mark Penn, the top campaign strategist for Hillary Clinton, sheds light on a feature of the Democratic Party that is not merely an aspect, but rather the essence, of this political institution: it, like the Republican Party, is a wholly owned subsidiary of corporate interests.

Penn stepped down after the *Wall Street Journal* revealed that he had met March 31 with the Colombian ambassador to the United States to discuss a campaign to lobby Congress for approval of the US-Colombia free-trade pact. While Senator Clinton is a public opponent of the pact and has vowed to vote against it, Penn, in his capacity as CEO of the giant lobbying firm Burson Marsteller, signed a \$300,000 contract with the Colombian government to push for passage.

There were probably internal reasons for Penn's departure as well as the flagrant conflict between his corporate and political roles. The Clinton campaign is in dire straits, with polls showing a shrinking or even nonexistent lead in Pennsylvania, where defeat in the April 22 primary would effectively end Clinton's candidacy for the Democratic presidential nomination.

Penn played a major role in the transformation of Clinton from near-certain nominee six months ago to an increasingly desperate and visibly demoralized candidate, hoping for a miraculous implosion of the new frontrunner, Senator Barack Obama. He was reportedly a strong advocate of Clinton's positioning herself on the right of the Democratic field, particularly on the issue of the war in Iraq, and adopting the pose of presumptive nominee.

Forced by the dynamic of the campaign—her two main rivals, Obama and John Edwards, initially made a more overt appeal to social and economic discontent—as well as by the eruption of the US financial crisis, Clinton has been compelled to strike a more populist pose in the

course of the primaries.

As a result, on one occasion after another, she has demagogically attacked US corporations and industries that are well-paying clients of her top campaign strategist. The list of companies that have consulted with or hired Penn and Burson Marsteller is a rogues' gallery of corporate America:

- * Blackwater Worldwide, the mercenary contractor that has killed hundreds of Iraqis in the course of its work supplying bodyguards for State Department and other US officials.

- * Countrywide Financial, the largest US mortgage lender, which became notorious for awarding eight-figure pay packages to CEO Angelo Mozilo while pushing tens of thousands of subprime borrowers into foreclosure.

- * TXU Corp., a giant Texas firm seeking to build power plants burning pulverized coal, while Clinton publicly advocates reduction of greenhouse gases.

- * Cintas Corp., a uniform rental company that Penn advised on how to smash a union-organizing drive, while Clinton was collecting the lion's share of union endorsements.

- * The giant drug companies Merck and Pfizer.

- * The biggest US tobacco firm, Altria Group (formerly Philip Morris).

- * The US Tuna Foundation, which has sought to combat warnings about mercury levels in fish.

- * Royal Dutch Shell, the world's second largest oil company, whose US chief, John Hofmeister, met with Penn in Houston.

Penn is not some corporate gunslinger who was hired by the Clintons for his advertising and polling expertise. He is a longtime political operative who has parlayed his close ties with leading figures in the Democratic Party into a lucrative corporate career.

Penn and his partner Douglas Schoen founded their polling firm in 1977 while working for the election of Edward Koch as mayor of New York. They plunged into Israeli politics as well, working for the reelection campaign of Likud Prime Minister Menachem Begin in 1981, where they utilized the Israeli air strike on the Osirak nuclear reactor in Iraq as political propaganda.

Closely associated with the right-wing Democratic Leadership Council, Penn worked on several campaigns for Senator Joseph Lieberman of Connecticut. Penn managed his disastrous 2004 presidential campaign as well as his Senate reelection campaign in 2006, when Lieberman lost the Democratic nomination to an antiwar candidate but retained his seat by running as an “Independent Democrat” with tacit Republican support.

Penn’s ties to the Clintons go back to the 1996 reelection campaign, when he worked with political adviser Dick Morris to carry out the strategy known as “triangulation,” adopting positions that would conciliate with the Republican right wing, then in control of Congress. He later worked for Hillary Clinton’s US Senate campaign in 2000.

Throughout this period, his polling and marketing business attracted corporate customers as well. In 2001, the world’s second-largest advertising company, WPP Group PLC, bought the Penn Schoen firm. Penn became CEO of Burson-Marsteller, a US subsidiary of WPP Group, in December 2005. He insisted on keeping this corporate role when he signed on as principal strategist of Clinton’s 2008 presidential campaign.

Penn’s contract with the Colombian government is not an aberration. A whole slew of prominent Democrats have endorsed the US-Colombia trade pact and in some cases signed on as lobbyists. One of the two men who replaces Penn at the top of the Clinton campaign, campaign spokesman Howard Wolfson, has a direct financial interest in the Glover Park Group, another lobbying firm hired to represent Colombia.

Though Wolfson left Glover Park last year to join the campaign full-time, he still has a million-dollar equity stake in the firm, jointly owned with his wife Terri McCullough, who is herself the chief of staff to House Speaker Nancy Pelosi. Former Clinton White House press secretary Joe Lockhart remains a partner at Glover Park. The firm’s CEO, Carl Smith, was chief of staff to the 2000 presidential campaign of Al Gore.

Hillary Clinton was at pains to disavow any connection to the Colombia trade pact, particularly in the run-up to the April 22 Pennsylvania vote. She appeared before a meeting of the Communication Workers of America Tuesday to reiterate, “As I have said for months, I oppose the deal, I have spoken out against the deal, I will vote against the deal and I will do everything I can to urge the Congress to reject the Colombia free trade agreement.”

The trade union bureaucracy is opposed to every US trade deal from the standpoint of economic protectionism, since it is allied with the more backward and uncompetitive US industries that fear an influx of foreign goods. In the case of Colombia, the argument is even more heated, since the regime is notorious for its links to right-wing death squads that have made Colombia the world’s leader in murdering trade unionists. In one statement last week, Clinton demanded “no trade deal with Colombia while violence against trade unionists continues in that country.”

Adding to the candidate’s political problems, however, is that the murder of trade unionists apparently cuts no ice with her own husband, the former president, a long-time supporter of the US-Colombia trade agreement. According to press reports, Colombia was one of the many lucrative clients Bill Clinton has used to amass his post-White House personal fortune. A Colombian business group, Gold Service International, paid him \$800,000 in 2005 for four days of speech-making.

Campaign spokesman Jay Carson sought to dismiss the conflict between Hillary Clinton’s public posture and Bill Clinton’s rainmaking as though it was a dispute over the color of the carpeting in their living room. “Like other married couples who disagree on issues from time to time, she disagrees with her husband on this issue,” he said.



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