

Obama Said Hillary will Continue His Legacy and Indeed She Will!

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Leading up to Monday's Democratic Party convention, Hillary chose Blue Dog Senator Tim Kaine of Virginia as her VP. This was followed by the Wikileaks release of Democratic National Committee (DNC) e-mail files showing it acting as the Clinton Campaign Committee even to the point of using the same lawyers as her own campaign to oppose Bernie Sanders.

The response across the Democratic neocon spectrum, from Anne Applebaum at the *Washington Post* to red-baiting Paul Krugman and the Sunday talk shows it was suggested that behind the Wikileaks to release DNC e-mails was a Russian plot to help elect Trump as their agent. Former US ambassador to Russia Michael McFaul lent his tattered reputation to claim that Putin must have sponsored the hackers who exposed the DNC dirty tricks against Bernie.

The attack on Trump was of course aimed at Sanders. At first it didn't take off. Enough delegates threatened to boo DNC head (and payday-loan lobbyist) Debbie Wasserman Schultz off stage if she showed her face at the podium to gavel the convention to order. The down-note would have threatened the "United Together" theme, so she was forced to resign. But Hillary rewarded her loyalty by naming her honorary chairman of her own presidential campaign! If you're loyal, you get a pay-off. The DNC was doing what it was supposed to do. No reform seems likely.



The Democratic machine orchestrated a media campaign to distract attention by attributing the leaks were to a Russian plot to undermine American democracy (as if the e-mails did not show how undemocratic the DNC had operated in stacking the primaries). A vote against Hillary would be a vote for Trump – and a vote for Trump would really be for Putin. And as Hillary had explained earlier, Putin = Hitler. The media let it be known that attacking Wasserman Schultz – and by extension, Hillary's neocon policies – makes one a Russian dupe. This theme colored the entire convention week.

Endorsing Hillary's presidential bid on Monday evening, Sanders joined in the chorus that this November will pit Good against Evil – or as Ray McGovern put it on RT's *Cross Talk*, at least proxies for Netanyahu vs. Putin. Wall Street Senator Chuck Schumer went on TV to heave a sigh of relief that the party was indeed united together.

Many Sanders' supporters felt no obligation to follow his obeisance. Many walked out after he closed Tuesday's state-by-state roll call by throwing his support behind Clinton. Others chanted "Lock Her Up".

VP Kaine as Hillary's stand-in if she's indicted or seems unelectable

The potential "Hillary Republicans" who are turning away from Trump – whose ranks include Mike Bloomberg, the neocon Kagan family (Robert and Victoria Nuland) and William Kristol – far outnumber the Sanders supporters who may stay home or vote for Jill Stein on the Green Party ticket. Hillary sees more votes (and certainly more campaign contributions and future "speaking fees") from the Koch Brothers, George Soros, Wall Street, Saudi Arabia and the corporatist Chamber of Commerce.

Kaine recently has fought to "free" small and medium-sized banks from being subject to the Consumer Financial Protection Agency. He has long supported the TPP, deregulation of Wall Street, and most everything that Sanders opposes. Appointed as DNC head by President Obama in 2008, he dismantled Howard Dean's 50-state strategy, not bothering to fight Republicans in the South and other solid Republican states. His move let them elect governors who gerrymandered their voting districts after the 2010 census.

The DNC designated these "neglected" states to come first in the presidential

✖primaries. They were the ones that Hillary won. Sanders won most of the swing states and those likely to vote Democratic. That made him the party's strongest nominee – obliging the DNC to maneuver to sideline him. His criticism of big donors and Citizens United threatens to dry up the source of funding not only for Hillary but also for the DNC. They are going after the money – whose chief providers are Wall Street, neoliberal corporatists and New Cold War neocons.

Bernie's campaign targeted Wall Street and corporate deregulation (the essence of TTP and TTIP) as the key to the One Percent's monopolization of income and wealth since Obama's post-2008 sacrifice of the economy on the altar of rescuing banks and their bondholders. That is why the Wall Street's Donor Class that controls the Democratic Party machine want to discourage new voter enrollment and turnout. The last thing they want is an influx of new voters advocating real reform. Millennial newcomers are more progressive, born into a generation that has no opportunity to obtain jobs and housing as easily as their parents. So it's best to keep out independents in favor of the old-time voters with brand loyalty to Democrats.

Demonizing Trump for saying what Bernie Sanders has been saying

Trump made his quip about Russia in what actually was an eloquent and funny press conference.[1] The media took this out of context to depict him as urging the Russians to hack into our e-mails. What he actually said was that if Russia – or China, or somebody "sitting in his bed" – did indeed read Hillary's State Department and Clinton Foundation dealings, they should do the world a favor and release them to reveal her self-dealing.

Trump is right in saying that there has not really been a recovery for the Rust Belt or for the 99 Percent. Hillary brazens it out by claiming that Obama's neoliberal economics have helped wage-earners, despite the debt deflation blocking recovery. She promises to continue his policies (backed by his same campaign funders).

That would seem to be a losing strategy for this year's election – unless the Democrats gain control of the electronic voting machines, especially in Ohio. But the Republicans may decide to throw the election to Hillary, who is fortunate to have Donald Trump as her opponent. Demonized as Putin's "Siberian candidate," he has become the Democrats'

unifying force: “Hillary isn’t Trump.”

That’s what voting for the “lesser evil” means. Hillary’s message is: “Even though we support TPP and a New Cold War, at least you’ll have a woman at the helm. Anyway, you have nowhere else to go, because the other side is even *more* evil!” Her logic is that (1) if you criticize Hillary, you’re supporting Trump; (2) Trump is the Siberian candidate; hence (3) Criticism of Hillary, NATO’s New Cold War escalation or the TPP’s anti-labor treaty and financial deregulation is pro-Russian and hence anti-American.

All that strategists for the One Percent need to do is fund an even worse party platform to the right of the Democrats. So the choice will be between Evil A (economic evil with ethnic and sexual tolerance) and Evil B (without such tolerance).

It doesn’t have to be this way. But Sanders gave up, not feeling up to the task. Having mocked him as a socialist, Hillary is acting as the Joe McCarthy of the 2010s, mobilizing a wave of commie bashing against her Republican opponent.

On Monday leading up to the convention, the Democratic Party’s cable channel MSNBC kept juxtaposing pictures of Trump and Putin. Criticizing Hillary’s neocon stance supporting Ukraine’s military coup is depicted as support of Russia – while other commentators followed President Obama claiming that criticism of TPP means making China the new leader of Asia. The message is that criticizing NATO’s adventurism risks being called a Soviet – I mean, Russian – puppet.

Bernie’s dilemma – and that of other would-be reformers of the Democratic Party

Back in the 1950s and ‘60s I heard labor leaders ask whether there really was nowhere to go except the Democratic Party. Most who joined got co-opted. Instead of moving the Democratic Party to the left, its leadership machine corrupted labor, and in due course the anti-war movement and socialists who joined hoping to move it to the left.

What then is Bernie’s plan to save his followers from being forced to make one compromise after another? The party machine demonizes policies with which Hillary’s neocons disagree, and demand support of NATO escalation and Obama’s (and Hillary’s and Kaine’s) underlying support of the TPP on the pretense that this will help rather than hurt labor. Hillary has denounced Bernie’s socialized medicine on the ground that it is utopian (as if Canada and the eurozone are anti-capitalist utopias).

While Trump sent out tweets and gave interviews about how Hillary and Debbie have screwed Bernie’s supporters, Sanders made no parallel attempt to ask why progressive Democrats didn’t applaud Trump’s assertions that he would wind down confrontation with Russia, that NATO is obsolete and needs restructuring, and his opposition to the TPP. Bernie didn’t seize the opportunity to mobilize non-partisan support for their critique of neoliberal economic policies. He cast his lot with Hillary, contradicting his claim during the primaries that she was not qualified to be president.

After Sanders ended Monday evening’s opening by endorsing Hillary Clinton, the MSNBC camera crew went down to talk to his supporters. They eagerly asked the first one who she would vote for, after hearing Bernie’s endorsement. “For Jill Stein,” the lady said, explaining that there was no way she would vote for Hillary.

The next interview produced a similar result. "I just don't trust her," the Bernie supporter said. A third said the same thing. The MSNBC booth tried to save face by assuring viewers that everyone *they* talked to had said they were going to vote for Hillary. But it sounded hollow. I suspect that viewers didn't trust the TV media any more than they trusted Hillary.

The problem facing Hillary's rivals is that she has wrapped herself in the legacy of President Obama. Having shied from criticizing the president, Sanders and his supporters are facilitating what may be a Lame Duck session sellout after the November election. My fear is that Obama will try to "save his legacy" by joining with the Republicans to drive through the TPP, and also may escalate the New Cold War with Russia and China so as to make it easier for Hillary to sign onto these moves.

Selecting Tim Kaine as her running mate means neoliberal, pro-TPP business as usual. Hillary didn't oppose TPP. She just said she would put in rhetoric saying that its "purpose" was to raise wages – whereas most voters have shown themselves to be smart enough to realize that the effect will be just the opposite.

Yet Sanders endorsed her. Evidently he hopes to keep his position within the Party chairing the Senate Minority Budget Committee, while simultaneously trying to promote a revolution outside the Democrats. I was reminded of a Chinese proverb: When there is a fork in the road, a man who tries to take two roads at once gets a broken hip joint.

This straddle may have led Sanders to miss his big chance to make a difference. He is trying to take two roads at once, continuing to run as an Independent senator while caucusing with the Democrats without being able to block TPP and new Wall Street giveaways and more favoritism to the One Percent he has so eloquently denounced. Revolutions are a matter of timing. As a former YPSL he might have recalled what happened when Trotsky shied from breaking from Stalin after Lenin died early in 1924. Soon it was too late, and all Stalin's opponents were purged. The moment was not seized.

Bernie has been an effective catalyst in this year's election campaign. But as in chemistry, a catalyst is not really part of the equation. It merely helps the equation take place. Sanders didn't say, "Thank god for Wikileaks. It shows that I was right and the DNC needs radical reform." He left it to his supporters to hold up anti-TPP signs. His new message was "trust Hillary." But even so, she will not forgive him for being against her before he was for her. He may still end up being marginalized in 2017.

I had hoped that in addressing the convention, Sanders would have said that its aim was not only to elect a president but congresspersons and officials all down the line. He could have mentioned the people he is supporting, starting with Wasserman Schultz's opponent in Florida's House race (supported by Obama as well as Hillary).

Bernie's supporters who walked out on Tuesday have been duly radicalized. But he himself seems akin to be an American Alex Tsipras. Tsipras thought withdrawal from the eurozone was even worse than capitulating to austerity, while Sanders believes that withdrawing from the Democrats and backing a political realignment – perhaps electing Trump in the interim is even worse than Hillary's pro-Wall street Obama-like agenda.

Matters were not improved when Bill Clinton gave a hagiographic biography of Hillary emphasizing her legal aid work to protect children, without mentioning how the 1994 welfare "reform" drastically cut back aid to dependent children. Madeline Albright said that

Hillary would keep America safe, without mentioning Hillary's promotion of destabilizing Libya and backing Al Qaeda against Syria's government, driving millions of refugees to Europe and wherever they might be safer.

The many anti-TPP signs waved by Sanders delegates on Wednesday saw Hillary say that she would oppose TPP "as currently written." This suggests that a modest sop thrown to labor – a rhetorical paste-on saying that the TPP's aim was to raise living standards. This simply showed once again her sophist trickery at lawyering, giving her an out that she and long-time TPP supporter Tim Kaine were sure to take.

Obama's brilliant demagoguery left many eyes glazed over in admiration. Nobody is better at false sincerity while misrepresenting reality so shamelessly. Probably few caught the threatening hint he dropped about Hillary's plan for corporations to share their profits with their workers. This sounds to me like the Pinochet plan to privatize Social Security by turning it into exploitative ESOPs (Employee Stock Ownership Programs). The idea is that wage withholding would be steered to buy into the company's stock – bidding it up in the process. Employees then would end up holding an empty bag, as occurred recently with the *Chicago Tribune*. That seems to be the great "reform" to "save" Social Security that her Wall Street patrons are thinking up.

One might think that the Democrats would see the Obama administration as an albatross around their neck, much as Gore had Bill Clinton around his neck in 2000. Gore didn't want him showing his face in the campaign. Yet Hillary presents herself as continuing the Obama policies with "business as usual," as if she will act as his third term.

Voters know that Obama bailed out the banks, not the economy, and that Hillary's campaign backers are on Wall Street. So this year would seem to have been a propitious time to start a real alternative. Hillary is mistrusted, and that mistrust is spreading to the Democratic Party machine – especially as the Koch Brothers and kindred backers of failed Republican candidates find neoliberal religion with Hillary. A third party Green/Socialist run might indeed have taken off – with Sanders stealing Trump's thunder by pre-empting his critique of TPP, free trade and NATO, adding Wall Street and Citizens United campaign financing.

This fall's presidential debates

Hillary and even Bernie assured the Democratic convention again and again how much President Obama has revived the economy from the "mess" that Bush left. While Trump centers his disdain on the TPP (much as he knocked Jeb Bush out by saying that the invasion of Iraq was a mistake), he can reply, "What recovery? Have you voters *really* recovered from 2008?"

Hillary and other speechmakers at the Democratic convention criticized Trump for saying that "things are bad." But according to the July 13 NBC/WSJ poll, 73% of voters believe that the country is going "off on the wrong track." If Trump shifts his epithet from simply "Crooked Hillary" to the more nuanced "Crooked Wall Street and their candidate, Crooked Hillary," he'll score a ratings spurt.

Debt deflation and shrinking markets over the next two years do not provide much hope for increasing the minimum wage – which wouldn't help much if one can't find a job in the first place! By 2018 the continued stagnation of the 99 Percent may lead to a midterm wipeout of Democrats (assuming that Hillary wins this year against Trump), catalyzing an alternative

party (assuming that she does not blow up the world in her neocon military escalation on the borders of Russia and China).

The problem with Trump is not mistrust; it is that nobody knows what policies he will back. The media are giving him the same silent treatment they did with Bernie, while accusing him of being in Putin's pocket. He did admit selling some real estate to Russian nationals. Perhaps some of these gains fueled his presidential campaign ...

The solution is not to save the Democratic Party, but to replace it. The debate reminds me of that about the Soviet Union in the 1950s: Is it a degenerated workers' state, or a Stalinist bureaucratic mutation going the opposite direction from real socialism?

I wonder how many years it will take for Hillary to end up booed so loudly that she has to leave hotels and other speaking venues via their back alleys, much as Lyndon Johnson had to sneak out to avoid the anti-war boos leading up to the 1968 election.

Michael Hudson's new book, [*Killing the Host*](#) is published in e-format by CounterPunch Books and in print by [*Islet*](#). He can be reached via his website, mh@michael-hudson.com

Notes

[1] Available on <https://m.youtube.com/watch?v=HGHWou0h1kk>). This should be seen as an antidote to most media coverage.

For a run-down on Russia-Trump accusations see [Lambert Strether](#), "[Hoisted from Comments: Can We Even Know Who Hacked the DNC Emails?](#)" *Naked Capitalism*, [July 28, 2016](#).

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