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The Clintons, Crony Capitalism, and American Foreign Policy

By Justin Raimondo

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The income stream of the Clinton Foundation, which includes many millions of dollars from foreign governments and individuals with close links to foreign governments, has created a firestorm of controversy. A forthcoming book, *Clinton Cash: The Untold Story of How and Why Foreign Governments and Businesses Helped Make Bill and Hillary Rich*, by Peter Schweizer, contends that, during her tenure as Secretary of State, Hillary Clinton granted favors and concessions to governments that were generous in their donations to the Foundation that bears her name.

More than that, reporting published prior to the book's publication shows that enormous speaking fees were paid to both Hillary and Bill Clinton by entities closely tied to these same foreign interests. The *Washington Post* informs us that Bill Clinton alone collected \$26 million in speaking fees in his work on behalf of the Foundation.

As Secretary of State, Hillary Clinton was supposed to have filed full disclosure reports, and the Clinton Foundation was supposed to have forsworn donations from foreign governments during Mrs. Clinton's tenure. The latter did not happen, and as for the former: there are huge loopholes in the disclosure rules, one of them being that, while sponsors of paid speaking engagements must be revealed, "sub-sponsors" are exempt. As the *Washington Post* tells it:

“[I]n 2012, Hillary Clinton’s disclosures show, Bill Clinton was paid \$250,000 for a Boston speech to the Global Business Travel Association. But the documents filed by Bill Clinton’s office show that a proposed sub-sponsor was the aircraft manufacturing giant Boeing. During a 2009 trip to Russia, Hillary Clinton made a personal pitch for a state-owned airline to buy Boeing jets.”

Bill’s documentation was only made public because Judicial Watch, a conservative legal watchdog group, sued to obtain it. But Bill’s haul in that instance is just chump change compared to the big money that poured into Clinton Foundation coffers – and Bill and Hillary’s pockets – from foreign governments and companies owned or controlled by those governments.

An attempt to corner the uranium market in the US through a Canadian-owned company, Uranium One, involves more than \$35 million “donated” to the Clinton Foundation by one of the principals, as well as Bill Clinton’s personal intervention on the company’s behalf in order to secure mining rights from the dictator of Kazakhstan. Frank Giustra, then head of Uranium One, “donated” an additional \$100 million to the Clinton Foundation: in return, his company, which had never been a player in Kazakhstan’s uranium-rich market, was catapulted to the top tier of global energy producers. Giustra sold off his stake in the company in 2007, garnering tens of millions in the process.

The company was sold off to Rosatom, a Russian state-owned enterprise, in three transactions, a process that should have triggered oversight by a high-level government watchdog agency that monitors the acquisition of strategic resources by foreign governments. As Secretary of State, Hillary Clinton must have played a key role in giving Washington’s imprimatur to the sales, and it’s clear from the record that the buyers made a concerted effort to influence her through huge donations to both the Foundation and the Clinton family’s personal bank account. The *New York Times* reports:

As the Russians gradually assumed control of Uranium One in three separate transactions from 2009 to 2013, Canadian records show, a flow of cash made its way to the Clinton Foundation. Uranium One’s chairman used his family foundation to make four donations totaling \$2.35 million. Those contributions were not publicly disclosed by the Clintons, despite an agreement Mrs. Clinton had struck with the Obama White House to publicly identify all donors. Other people with ties to the company made donations as well.

“And shortly after the Russians announced their intention to acquire a majority stake in Uranium One, Mr. Clinton received \$500,000 for a Moscow speech from a Russian investment bank with links to the Kremlin that was promoting Uranium One stock.

“At the time, both Rosatom and the United States government made promises intended to ease concerns about ceding control of the company’s assets to the Russians. Those promises have been repeatedly broken, records show.”

My favorite part of this saga of corruption and institutional cynicism is the account of Bill’s trip to Kazakhstan in Giustra’s company. The two flew in on Giustra’s private jet, and when they

landed they dined with Nursultan Nazarbayev, the President for life, who regularly racks up over 90 percent of the vote in Kazakhstan's "elections." As the *Times* puts it:

"Mr. Clinton handed the Kazakh president a propaganda coup when he expressed support for Mr. Nazarbayev's bid to head an international elections monitoring group, undercutting American foreign policy and criticism of Kazakhstan's poor human rights record by, among others, his wife, then a senator."

No "election" ever held in Kazakhstan has been greeted by anything but jeers from international monitoring groups.

Oh well, never mind all that: the visit got quick results. "Within days of the visit," the *Times* reports, "Mr. Giustra's fledgling company, UrAsia Energy Ltd., signed a preliminary deal giving it stakes in three uranium mines controlled by the state-run uranium agency Kazatomprom."

This shady deal probably wouldn't have attracted as much attention – and condemnation – if it had been revealed earlier, before Russophobia became the latest Washington fashion and Putin-bashing a veritable national sport. Is Russia going to get a "monopoly" on uranium worldwide? That's highly unlikely, if not utterly impossible, and yet what this whole episode underscores is that government controls on who can own what only ensure that those who are boldest about bribery ultimately succeed in getting their mitts on the goods: regulations devised to supposedly ensure "national security" wind up achieving the exact opposite. That's what crony capitalism is all about: making sure that those with political connections, rather than the most efficient owners of resources, wind up reaping enormous profits. And it looks like the "free market" US isn't much freer than Kazakhstan in this regard.

An even clearer case of crony capitalism, Clinton-style, is the story of how General Electric, a key political player on the US scene, obtained business from the Algerian government after the US State Department lobbied hard on the company's behalf. Of course, it's just a coincidence that GE made a \$1 million contribution to a "health initiative" associated with the Clinton Foundation in the same timeframe. The sale of power plants to the Algerians was worth nearly \$2 billion: that's a nice little profit margin there. And then there's the political connection: GE, at the time, had a majority stake in MSNBC, which is for all intents and purposes the media megaphone of the Democratic party.

GE CEO Jeff Immelt is refusing to release emails to and from the State Department regarding the deal, while defiantly averring that there's nothing unusual about a US government agency going to bat on behalf of an American corporation. "I think for a global company it's very normal business when the State Department and or other officials actually help us around the world. And we do that today. We did that in the past. I hope we do that always."

Of course he does – that's how the system of crony capitalism works, not only in this country but also globally. And Immelt is correct when he says "we did that in the past," because none of this is anything new. That's the way US foreign policy has been conducted since the earliest days of the American Empire, when the US entered the imperialist sweepstakes at the end of the nineteenth century.

While the dreaded “isolationism” of the Founding Fathers – dreaded by the political class of today, that is – had guided US foreign policy up until this point, a new turn took place under the aegis of President William McKinley, and his influential Assistant Secretary of the Navy, Teddy Roosevelt. Roosevelt and a cabal of Republican party stalwarts, including Massachusetts Senator Henry Cabot Lodge, authored the so-called “large” policy, which called for the US to jump into the race for colonies abroad.

It started in the 1890s, when Admiral Alfred Thayer Mahan came out with his trend-setting book, *The Influence of Sea Power Upon History*, which provided the rationale for a huge military buildup by the European powers, who were scrambling for colonies. Teddy Roosevelt, an ambitious rising politico at the time, was a zealous convert.

Inspired by the messianic delusion of America’s alleged “manifest destiny,” Roosevelt, Lodge, and John Hay – who would be Teddy’s Secretary of State – pushed the policy of imperialism as the new Republican doctrine. They cloaked their global designs in the language of commercialism, claiming a new era of great wealth could be achieved if only Americans could be coaxed out of their “sloth” – as Teddy put it – and energized by the great adventure of joining the imperialist powers of Europe in the business of colonialism. At the end of that rainbow, the Republicans promised, would be a pot of gold – but only for the politically connected. The would-be beneficiaries of this policy lined up to support the new expansionist dispensation.

With the evil William McKinley replacing the pro-hard money “isolationist” Grover Cleveland, the Roosevelt-Lodge-Hay cabal moved in for the kill – and found a ready-made victim in the sclerotic Spanish empire, which was on its last legs. With Hay at Foggy Bottom, and Teddy as Secretary of the Navy, the American expansionists gobbled up Cuba, seized Puerto Rico, conquered the Philippines, and stole Hawaii.

The acquisition of Hawaii, an early example of crony capitalism in action, was the work of the sugar interests, whose plantations were even then encroaching on that Pacific paradise. It was they, in collaboration with the US Navy and expansionists in Washington, who engineered the so-called “revolution” that kicked out the monarchy and set up a white man’s “republic,” which then – after much delay, due to stubborn if ultimately unsuccessful resistance from anti-imperialists on the mainland – was incorporated as a US territory.

When McKinley met his maker at the hands of an alleged anarchist, Teddy, who had inveigled his way into the Vice Presidency, took the reins of the new American Imperium. One of his first aggressions was a textbook example of the emerging crony capitalism: the making of the Panama Canal. Murray Rothbard tells the fascinating story:

“It is well known that Roosevelt engineered a phony revolution in Columbia in 1903, creating the new state of Panama and handing the Canal Zone to the United States. What has not been fully disclosed is who benefited from the \$40 million that the U.S. government paid, as part of the Panama settlement, to the owners of the old bankrupt Panama Canal Company, a French company which had previously been granted a Colombian concession to dig a Panama canal.

“The Panama Canal Company’s lobbyist, Morgan-connected New York attorney William Nelson Cromwell, literally sat in the White House directing the ‘revolution’ and organizing the final settlement. We now know that, in 1900, the shares of the old French Panama Canal Company were purchased by an American financial syndicate, headed by J.P. Morgan & Co., and put together by Morgan’s top attorney, Francis Lynde Stetson. The syndicate also included members of the Rockefeller, Seligman, and Kuhn, Loeb financial groups, as well as Perkins and Saterlee.

“The syndicate did well from the Panama revolution, purchasing the shares at two-thirds of par and selling them, after the revolution, for double the price. One member of the syndicate was especially fortunate: Teddy Roosevelt’s brother-in-law, Douglas E. Robinson, a director of Morgan’s Astor National Bank. For William Cromwell was named the fiscal agent of the new Republic of Panama, and Cromwell promptly put \$6 million of the \$10 million payoff the US made to the Panamanian revolutionaries into New York City mortgages via the real estate firm of the same Douglas E. Robinson.”

The turn of the century ushered in a new America: gone was the old constitutional republic, which was different in kind from the European empires, and in its place was a centralized Imperium with a cabal of investment bankers, railroad tycoons, and industrialists calling the shots. This modern Mordor was justified and glorified by a “modernizing” class of progressive intellectuals, whose job it was to provide the ideological rationale for the whole corrupt shebang in such journals as *The New Republic*.

With our diplomats acting as the agents of the banking/commercial sector, and the US military as their “privatized” police force, America set out on the course of Empire – and we see the apotheosis of this horrific mutation in the dual personae of the Clintons, whose life story is one long sleazy shameless scandal of self-aggrandizing vainglory.

But is it really a scandal – or is it just the New Normal? “New,” that is, if one considers everything before the age of Grover Cleveland to be the Old Normal.

Word is out that the Clinton Foundation is revising its 990s – the forms nonprofits must submit that show their sources of income. This is a tacit admission that everything that’s about to come out in the Schweizer book is largely true, not to mention the investigative reporting that’s been done by Reuters and others.

So the question now is: will they get away with it? My guess is: yes. That’s because, as I’ve just shown, American foreign policy has been the instrument of the corporate class since the turn of the last century. This is what empires are all about – and, as imperiums go, ours is in a class of corruption all by itself.