

THE SWAMP

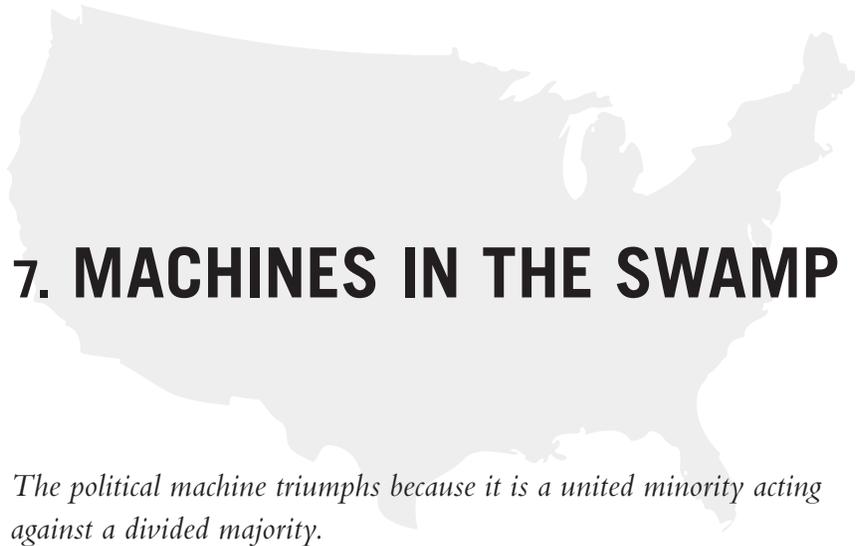
WASHINGTON'S
MURKY POOL OF
CORRUPTION AND
CRONYISM

and

HOW
TRUMP
CAN
DRAIN
IT

ERIC BOLLING

AUTHOR OF THE *NEW YORK TIMES* BESTSELLER *WAKE UP AMERICA*



7. MACHINES IN THE SWAMP

The political machine triumphs because it is a united minority acting against a divided majority.

—WILL DURANT

The bigger the machine, the more grease it requires to keep the thing moving.

If individual politicians at times behave like criminals, and you therefore expect groups of politicians to act like organized crime, you'd be correct. Unfortunately (for American taxpayers), there are too many examples of “political crime machines” to include them all, but some are so egregious they cannot be ignored.

We can't peer inside the Clintons' heads and know whether they are motivated by lust for power, material greed, and reckless lust—or a burning desire to improve the lot of humanity. We can't know whether their Clinton Foundation functions as a giant, global bribe-taking machine—but we can see what happens to the stream of massive donations to the Clinton Foundation at times when the Clintons' political power appears to be waning. (It shrinks.)

The Clinton Foundation took in about \$300 million per year while Hillary Clinton was secretary of state (ending in 2013), often

from nations with which the State Department had dealings, including millions from sometimes-hostile nations in the Arab world, but the *New York Post* reported that in 2015, after she had left the State Department, “Contributions fell by 37% to \$108 million, down from \$172 million in 2014, according to the group’s latest tax filings.” The Clintons’ revenue from speeches—another convenient and legal way for rich hosts to curry favor with politicians—fell from \$3.6 million in 2014 to \$357,000 in 2015.

Would Clinton Foundation donations and the Clintons’ speaking fees have shot back up if Hillary were elected president? We don’t know. One arm of the foundation, the Clinton Global Initiative, began shutting down two months after the election. Peter Schweizer’s book *Clinton Cash* chronicles, though, how money to the Clintons was sometimes timed very closely to shifts in State Department policy, such as the approval of uranium sales to Russia immediately after a \$500,000 payment by a Kremlin-linked bank to Bill Clinton for a speech and millions in donations from the Russian company Uranium One to the Clinton Foundation.

Hillary’s campaign chair, John Podesta, also had odd Russia ties, specifically millions of dollars’ worth of shares in the Putin-linked Joule Unlimited, which he did not fully disclose during the presidential campaign, eventually transferring his shares to his daughter.

From the very start of the Clintons’ time in government, the two seem to have recognized the profit opportunities afforded by the overlap between the public and private sectors. During Bill’s stint as Arkansas attorney general from 1977 to 1979, Hillary enjoyed what she still claims was an astonishing run of good luck investing in cattle futures. There is a long history of metaphorical and sometimes literal “cattle trading” in politics, whereby politicians will offer each other goods such as cattle at a drastically discounted price

as a reward for political support—but what Hillary did was the modern, Wall Street–style equivalent.

A lawyer for the most influential business in Arkansas, Tyson Foods, ostensibly acted as Hillary’s guide as she gingerly poked her toe into the world of investing for the first time—and got such astonishingly good advice that the \$1,000 she’d given the Tyson lawyer to oversee ballooned roughly a hundred times in value, leaving her with \$98,540 in profit. Well done, Hillary! Except, obviously, what was going on here was merely a thinly veiled bribe, too big for any standard gift or donation rules but aimed at the relevant official’s spouse instead of the attorney general himself—and disguised as something she had “earned.” She later called it “beginner’s luck.”

Take it from me, as a commodity trader for the better part of two decades, this was no “beginner’s luck”! I’ve traded all the commodities—cattle futures, oil, gold, corn, all of them—and winning or losing has nothing to do with luck. Winning in commodities takes a ton of work. You must study trends in pricing, trends in the labor markets, trends in the money markets. You *must* have a grasp of weather—yes, weather! Weather is a major factor in commodity prices. The more volatile the weather, the higher a commodity price will typically trend, because weather can damage crops (feed costs go up) and can kill livestock. Weather can wipe out oil installations, and energy is a level-one input to pricing almost every commodity on earth. The energy cost of bringing a product to market is integral to the price of the commodity.

The point I am trying to make is that there is *no way* Hillary Clinton got “lucky” with a string of commodity trading wins. The more likely scenario is that Mrs. Clinton’s Tyson Foods “advisor” saw an opening to gain access to her husband, by then the governor, who likely could be very helpful to Tyson Foods with land grants and some regulatory “looking away.”

Then the “advisor” likely ate the losses and dropped the wins into Hillary’s account.

On some level, Hillary probably thinks she did earn it. Politics takes effort, after all, even if it’s a game played with other people’s money and doesn’t pay off for the commoners quite the way it does for the political royalty. She and Bill may even worry they still haven’t gotten their fair share. The Clintons nearly got their hands on the most lucrative political prize of all, the White House, for a second time in the 2016 election. Having failed to do so, they may find their “nonprofit” activities a bit less remunerative in the future.

The Clintons were, for a time, the avant-garde of “machine” politics. Instead of the smoke-filled rooms and ward bosses of old, they had charmed an array of public relations firms, media figures, international nonprofits, corporate boards, and politicians of nearly all nations, democratic and decidedly undemocratic. Hillary’s birthplace, Chicago, is known for politics that is a bit closer to old-fashioned, bare-knuckle, friend-or-foe machines than to the avant-garde. Back in 1996, Chicago-area rising star (and Hillary’s future boss) Barack Obama won his first election, to the Illinois state senate, by getting his serious opponent disqualified on technicalities.

Obama and other lawyers on his team managed to find enough irregularities or debatable signatures on the nomination petitions of all three of his Democratic primary opponents—including that of the incumbent, Alice Palmer, seemingly a longtime Obama ally in Chicago leftist activism—to get them tossed off the ballot. After he won the Democratic nomination with ease, and his district was overwhelmingly Democratic, the general election was then a breeze. His rise had more to do with lawyering than being raised up by the democratic masses.

So often in politics, the speeches are pretty but serve mainly as a

distraction from the favor-granting and deal-making that really make the Swamp percolate.

In the early days of the republic, one of the greatest sources of temptation for corrupt politicians was the ambiguity about how to carve up the vast lands opening in the West.

Future president Zachary Taylor, who had first made a name for himself in the War of 1812 and also shone in the 1830s in the Black Hawk War and Second Seminole War, was himself instrumental in expanding the United States' hold on the Southwest, defeating Mexico's Santa Ana in battle in 1847 during the Mexican-American War. Those deeds helped spur clubs promoting his candidacy for president in 1848, even though (like many military men) he had avoided expressing any partisan political beliefs prior to being drawn into electoral politics. He called himself a Jeffersonian democrat aligned with the United States' short-lived Whig Party (which would dissolve and be partly succeeded by the Republican Party a few years after Taylor's brief presidency ended in 1850). With admirable humility, Taylor believed in a cautious president and a strong cabinet.

Unfortunately, some of his cabinet members saw opportunity in their elevated status—and opportunity in those ambiguously carved-up lands out west and to the south. In the territory that would become Georgia, Irish immigrant George Galphin, who died in 1780, had owned a very large tract of land, one the U.S. government seized after the Revolutionary War. For seventy years, Galphin's family had fought the U.S. government in court for compensation. Finally, the governor of Georgia, George Crawford, entered the dispute on the side of the family, securing about \$200,000 from the federal government for them—and keeping about half for himself in the name of the Georgia territory.

This fiscal sleight of hand in 1850 might never have attracted much attention had not Crawford become President Taylor's secretary of war the previous year. Crawford's elevated status then combined with the decades-long public interest in the almost-legendary Galphin estate dispute to produce a great public outcry. Crawford resigned but managed to elude a public investigation or punishment in part because the Taylor presidency soon came to an end. In July 1850, after only sixteen months in office, Zachary Taylor died of an undetermined intestinal ailment.

Crawford, though hounded into resignation, lived off his half of the Galphin money for the rest of his life.

Feuding cabinet members were a normal part of politics back then, a drastic contrast with today's usually in-sync cabinets. One popular way to try avoiding conflict, of course, is to appoint your friends and close allies. And in the nineteenth century, as well as today, presidents knew they could technically get around the need for Senate approval by making recess appointments when Congress wasn't around to complain.

President Andrew Johnson, who had been Abraham Lincoln's vice president, used his recess-appointment powers to replace his secretary of war, Edwin Stanton, whom Johnson regarded as one of several military men too bent on punishing the South in the wake of the Civil War. Johnson was already on thin ice with the Republican-dominated, antislavery postwar Congress—and impeachment charges were considered against him in committee even before his actual impeachment—due to him allowing former Confederate president Jefferson Davis to go free on bail. (The investigating committee found that Johnson had favored prosecuting Davis, though, and so did not press for Johnson's removal.)

With Stanton ousted, Ulysses S. Grant reluctantly agreed to serve as Johnson's new secretary of war until Congress returned from its

summer recess, and he followed Johnson's orders to pardon Confederate soldiers and remove several harsh military governors overseeing the Reconstruction of the South.

Congress did not return to session in a forgiving mood, and on December 7, 1867, the Judiciary Committee voted to recommend impeaching Johnson—which, as with Bill Clinton over a century later, means merely that charges potentially resulting in his removal would be weighed in Congress, not that he necessarily would ultimately be removed from office—but the congressional vote for impeachment at that time failed, by a vote of 57–108. Nonetheless, the Senate reinstated Stanton as secretary of war the following year. Johnson did not relent and ordered Stanton removed again in favor of army general Lorenzo Thomas.

This is where the scandal became truly messy.

Stanton refused to leave office, and on February 24, 1868, after flirting with the possibility twice before, the House voted to impeach Johnson, making him the first president (and to date one of only two presidents) to be impeached, specifically for violation of the Tenure of Office Act, which prevents the president from firing certain officeholders without Senate approval. To the great annoyance of Johnson and great fascination of the public, the resulting trial stretched on for three months. Johnson's lawyers—who argued that the act did not fully apply, since Stanton had been appointed by the deceased Lincoln, not by Johnson himself—told Johnson not to talk in public about the case and urged him not to appear in Congress while it debated the issue. Johnson took their advice, a degree of restraint difficult to imagine in our own day.

In the end, the trial process became a scandal unto itself, with the verdict partly determined by wheeling and dealing among members of Congress, who were wary of making the president pro tempore of the Senate (then next in the line of presidential succession), Benjamin Franklin Wade, the president. Wade was a Radical

Republican who was not only in favor of taking a tough line with the South but also against such innovations as women's suffrage. He was as unsettling to Congress in his own way as the perceived coddling of the South by Johnson.

The House abandoned its prosecution of Johnson after repeatedly falling one vote short of conviction. Stanton stepped down on May 26. And accusations that bribery had determined the impeachment outcome haunted Johnson for the remainder of his presidency. In November, he did not run for a second full term.

Ulysses S. Grant, who had been such a pillar of honorable commitment to duty while he was a political ping-pong ball under Johnson, saw several scandals during his own presidency after succeeding Johnson in 1869, including a district court judge impeached for drunkenness, members of Congress implicated in the *Crédit Mobilier* bribery scandal, and multiple cabinet members involved in bribery and kickback scandals, including the secretaries of the interior, navy, treasury, and war. Fittingly for the alcoholic Grant, whiskey taxes were at the center of a corruption ring that saw 110 people from or affiliated with the administration convicted.

In spite of all this, it is widely agreed that Grant, though he was an alcoholic, was not himself corrupt and approached the duties of his office with the methodical determination of an accomplished military man.

Some parts of the federal government may be more prone to inspire officials to corrupt behavior than others—to lend themselves naturally to being captured by political machines, as it were. It is not surprising, for instance, that the commissioner of Indian Affairs was forced to resign for corruption in 1880, one small footnote in a centuries-long story of U.S. government misbehavior regarding Native Americans.

Under Presidents Garfield and Arthur began a long tradition of

postal service corruption and mismanagement—in a part of government that seems especially ripe for privatization in our own day! President Arthur's appointee for governorship of the Dakota Territory, Nehemiah Ordway, was also indicted and then removed from office by Arthur. He had racked up multiple accusations of misappropriation of funds and corruption, but what really turned political leaders in what is now South Dakota against him was his single-handed effort to move the territorial capital from Yankton to Bismarck. Such passions did the tug-of-war over the territorial capital ignite, it might be considered the nineteenth-century Dakotas version of Jerusalem, which most of the world tiptoes around mentioning as the capital of Israel, lest the Palestinians, who still claim land there, be offended.

As the twentieth century dawned, some political figures finally began figuring out how to use widespread political corruption itself as a source of power.

A federal district attorney appointed by President McKinley, John Hicklin Hall of Oregon, for instance, used blackmail against his opponents, gleaning from his legal work secrets usable for his illegal pressure campaigns. Once more, land was the great prize sought by the corrupt, and when several local officials in Oregon gained fraudulent possession of a vast tract of Oregonian land for a private front company, Hall foot-dragged in prosecuting them and instead selectively threatened to divulge damaging information about people involved in the land deal unless they aided him in his own political projects. Teddy Roosevelt, having become president upon McKinley's assassination by an anarchist, removed Hall from office.

Thanks to such stories—spread by the increasingly efficient yellow journalism of the day—there was a rising cynicism about politics, a counterpoint to the cynicism among the general public about big business in the Gilded Age.