
Book Reviews

Robert Reich: liberated from the cabinet

by Marianna Wertz

Locked in the Cabinet

by Robert B. Reich

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If the times call for a strong President, he will govern much as Franklin D. Roosevelt governed—with boundless energy, great charm, and bold initiative. Faced with genuine evil or a national crisis of undisputed dimensions, Bill will rise to it. But in the more common situations where the public is uncertain about the choices it faces and what's at stake in those choices, I worry that his leadership may fail. He'll become unfocused and too eager to please.—Robert Reich

So wrote former U.S. Secretary of Labor Robert B. Reich on Sept. 28, 1992, assessing the potential of his friend of 25 years, his fellow Oxford and Yale Law School student, the man who would be President four months later, Bill Clinton.

This biting ironic, eye-opening look at the first term of the Clinton Presidency, written from diary entries kept during those four years, is must reading for anyone truly interested in ensuring that Clinton does act like FDR, and *does so now*, as the moment of a “national crisis of undisputed dimensions” is upon us.

EIR Founding Editor Lyndon LaRouche has repeatedly stressed the strategic importance of this question over the past several months, most recently in “The U.S.A.-China Strategy,” which appeared in the April 25 *EIR*. LaRouche wrote: “It is unlikely that any presently visible governments would act competently until such time as an ‘economic Pearl Harbor effect’ suddenly transforms public opinion in the manner needed to support dramatic, sudden executive action by the incumbent President of the United States. Therefore, the great danger is, that the President, and also his key partners, come to that moment of history-shaping decision inadequately prepared, and, for that reason, flub the situation, with disastrous effects for all mankind.”

Whether or not Robert Reich, writing from his new job as university professor of social and economic policy at Brandeis University's Heller School, is conscious of the *strategic* importance of Clinton's acting like FDR, he has clearly decided, having liberated himself from the cabinet, to liberate Clinton from the grip of the evil that surrounds him, so that he might govern as FDR did.

Reich has used the insight of a true lifelong friend to achieve two things that only a true friend can achieve: to expose for all to see, the side of the Clinton administration which is personified in former Clinton adviser Dick Morris—who Reich says represents “all I detest in American politics,” a “Mephistopheles, the corrupter of all means to an end that is never fully realized; the ultimate betrayer”; and at the same time, to give a glimpse of the Bill Clinton who has the ability to govern like FDR, if he will only act out of his better nature.

The British haven't missed the importance of this book. Though it was only released from the publisher on April 25, Her Majesty's London *Times* reviewed *Locked in the Cabinet* in its April 17 “Diary” column under the title “Fat Chancellor.” The *Times* noted, “Relations between the Tories and the Clinton administration must be strained as an Arkansan's gut on barbecue day, after some sharp words from Robert Reich, President Clinton's former Labor Secretary, about the Chancellor, Kenneth Clarke. . . .”

“Diary” then quotes one of the many zingers Reich has thrown into this book. Recalling his attendance at the international jobs summit, in early 1994, Reich writes: “The jobs summit is a deadly bore. I have to sit next to the British Chancellor of the Exchequer, who talks endlessly about the virtues of the free market and the social benefits of selfishness, all with such pomposity that I have to restrain myself from causing an international incident, by telling him what I think. He is as rotund as he is arrogant, a thoughtless disciple of Margaret Thatcher. Will the Tories wreck Britain before the British wreck the Tories?”

It's clear which side Reich is on in the battle against the Tories. Though he doesn't say so, he obviously had the same distasteful bellyfull of Tory snobbery at Oxford, as a New York Jew, that Clinton did as an Arkansas hick.

‘Conceptual prison’

But Reich's anti-Tory view goes beyond his distaste for the disciples of Margaret Thatcher. He represented the closest thing to a sane economic outlook in the first Clinton cabinet. Reich was locked in battle inside the cabinet with such advocates of British/Wall Street budget-slashing as Treasury Secretary Lloyd Bentsen, and outside the cabinet, with the man he calls a “robber-baron pimp,” Federal Reserve Chairman Alan Greenspan. “Greenspan haunts every budget meeting, though his name never comes up directly,” Reich writes. “Instead, it's always our ‘credibility’ with Wall Street. It is repeatedly said that we must reduce the deficit because Wall Street needs to be reassured, calmed, convinced of our wise



Then-Labor Secretary Robert Reich at the Feb. 14, 1994 news conference announcing legislation to raise the minimum wage. He is flanked by the bill's cosponsors, on the left, Sens. David Bonior and Edward Kennedy, and, on the right, Paul Wellstone, in addition to labor and unemployed spokesmen.

intentions. Never before in the history of mankind have the feelings of a street had such decisive force. The ancients worried about the moods of the skies, mountains, seas, and forests. We're placating a pavement.

"Who fretted about Wall Street's feelings when Reagan and Bush racked up the biggest debt in American history? . . .

"Like Paul Volcker, the Fed chief before him, Greenspan can put the economy into a tailspin simply by tightening his grip. Volcker did it in 1979, and Jimmy Carter was fired. Bill Clinton knows that. Greenspan has the most important grip in town: Bill's balls, in the palm of his hand."

In his account of the Dec. 7, 1992 meeting of the Clinton economic transition team, which Reich headed, he spells out the reason he so strongly opposed deficit reduction as the basis for budget discussions. His concern, Reich writes, is not about the size of the deficit, but that the federal budget document doesn't differentiate between useful, if costly, investments in "human capital" and useless boondoggles. As an example, he writes: "The GI Bill made college affordable to a whole generation of returning World War II veterans and propelled much of the economic growth of the 1950s and beyond. The expense was justifiable, even though the federal deficit was a much larger percentage of the national output then than it is now."

"My real concern," Reich continues, is that *the deficit* is already framing our discussions about what we want to accomplish in the future. Getting the deficit 'under control' is becoming the most important measure of success. We discuss it for hours! . . . We're building our own conceptual prison."

Baby-Boomers

Reich's writings on economic policy formed the basis of Clinton's campaign platform, "Putting People First." The platform stated, "Our national economic strategy puts people first by investing more than \$50 billion each year for the next four years to put America back to work—the most dramatic economic growth program since the Second World War. Our strategy recognizes that the only way to lay the foundation for renewed American prosperity is to spur both public and private investment. . . . These investments will create millions of high-wage jobs."

His views are further set out in Reich's version of Clinton's first State of the Union—what he, Reich, would have said, had he been President. "Human capital is our most precious national asset, upon which our future standard of living depends. . . . [W]e will cut the budget deficit in order to free up capital for private investment. The private sector must use the extra capital to invest in the future productivity of all Americans—not to speculate, pad their executives' salaries, buy machines merely to replace their workers, bust unions, or build new factories abroad. The new resources must be used to create better jobs."

But with each day of the new administration, and increasingly as Clinton was confronted with the Gingrich "Visigoths," as Reich calls them, this viewpoint faded from sight. "The conceptual prison limits our view," Reich writes, "and I fear that none of us . . . will be able to escape."

Indeed, much of the book is an account of what Reich *would have said*, given in italics, had he had the courage of his convictions, while what he *did say* was often propitiatory

babble. "I'm as guilty as anyone," he writes, of the disastrous outcome of the Clinton economic policy. "More guilty. After all, I'm supposed to be in charge of this process. I could have offered a different framework. . . . I succumbed to the deficit obsession."

Reich correctly identifies the root of his, and the Clintons', problem. "In addition to the usual impediments, they also face a generational handicap. They are members of the huge, unruly group of postwar baby boomers (as am I)." *Locked in the Cabinet* is almost a clinical study of the effects of "baby-boomerism," the disabling mental disorder which LaRouche has also identified as at the source of Clinton's weakness as a President—or the "Hamlet" problem, as LaRouche has otherwise called it. Thus, Reich's analysis of the impotent, endless meetings that went nowhere: "We children of the sixties don't like strict hierarchies. We prefer governing by discussion."

Reich and the labor movement

Reich's importance to the current revitalization of the American labor movement is very well documented in this work. He enunciated organized labor's agenda—including support for a minimum wage increase, opposing "corporate welfare," closing the wage gap, stopping striker replacement, ending sweatshops, expanding job training—in the Clinton administration, and fought for it with courage. Perhaps most importantly, Reich also worked to oust the rotting corpse of Lane Kirkland's presidency from the AFL-CIO.

Reich was the moving force behind the passage, at the end of the 104th Congress, of the raise in the minimum wage, something of which he is rightfully very proud. He began discussing the problem of low wages in the 1993 transition, two years before John Sweeney took over the helm at the AFL-CIO. He ceaselessly argued the case: "We simply *must* do everything possible to create good jobs with good wages—for men and women, for poor whites and poor minorities, for people now on welfare, for youngsters with no more than high-school diplomas and for older workers without adequate skills who are losing their jobs."

His account of Lane Kirkland is most biting. "The AFL-CIO is dying a quiet death and has been doing so for years," he wrote in February 1993. Kirkland, he says, is "almost invisible to the public. Nothing about him suggests the leader of a *movement*. He looks and acts more like any other beefy, aging head of a special-interest lobbying group in Washington. . . ."

Reich recounts several meetings with Kirkland, portraying him as a foul-mouthed pig. Kirkland at lunch: "'And what about the goddamn North American Free Trade Agreement horseshit?' He reaches for another crab. . . ." Then at a dinner party at Kirkland's home, Reich reports his amazement at finding Alan Greenspan, "the Darth Vader of blue-collar America," among the guests. "Alan and Lane have been dear friends for years," explains Lane's wife Irena. "That's what's so *nice* about Washington."

It was Reich who suggested, in 1993, that Clinton give Kirkland an ambassadorial appointment, to either Poland or Hungary, to "give Kirkland a face-saving way to leave the AFL-CIO." Clinton agreed, but Kirkland didn't. Fortunately, Kirkland resigned soon after. Of his successor, John Sweeney, Reich simply writes, "If anyone can reignite American labor, it's he."

Liberated for what?

Reich says he decided not to stay on for Clinton's second term because of his desire to be with his wife and two teenage sons. The death of fellow cabinet member Ron Brown took a heavy toll as well; Reich was with Brown in France on the first leg of the trip that took Brown to the Dalmatian coast and his death. He says of his wife and two sons, "I think Ron's death is more a symbol of the everyday loss they experience as I work in Washington. It reminds them of the husband and father they're missing. It somehow makes the prospect of my remaining in Washington for years to come more frightening."

But the publication of his books makes it clear that Reich intends to remain the "middle-aged loose cannon," as he puts it, who could help move Clinton in the direction of a truly great President. By holding up a mirror to Clinton, Reich gives his friend a chance to change, and the American people a chance to help him change. He portrays the real Bill Clinton, in 1994, after he has capitulated to Gingrich's bullying. "He stalks around the room, fuming, 'We're doing everything Wall Street wants! Everything Wall Street *doesn't* want gets slashed!' He takes another few steps. 'We're losing our *soul!*' He talks to no one in particular, but I can't help imagining he's yelling at Alan Greenspan, 'I can't do what I *came* here to do.'"

Reich says this is not just Gingrich's or Greenspan's fault, but ultimately Clinton's, for compromising his principles. He makes the same point later, in relating an October 1995 discussion with Dick Morris. Morris and his ilk are debasing democracy, Reich writes, "and the people who hire them are playing with a fire that one day could consume all of us." Morris asked Reich to stop discussing the nation's problems in the election campaign, so that Clinton can get reelected. "Forget mandates," Morris would say. "You get your mandate *after* the election."

Reich responds, "If he takes your advice and wins, he'll stand for nothing."

A century and half ago, Clinton's predecessor, Abraham Lincoln, faced similar choices. In August 1864, Lincoln was confronted with a nation torn apart by bloody civil war. He needed a new draft of soldiers for Grant's and Sherman's armies, but the election was only three months off. His advisers told him it was too risky to issue the draft orders. It would lose him the election. Lincoln replied simply: "What is the Presidency worth to me if I have no country?" He ordered the draft. And he won a resounding mandate to save the nation.