

Corporate America throws Democrats a \$50 million party

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The Democratic National Convention underway in Boston will be the most expensive political spectacle ever staged in the history of the United States—at least until next month, when an even more lavish commercial advertisement will be staged in New York City for the Republican Party. Both events are being bankrolled by giant corporations, which are making use of the conventions as a form of legalized bribery of favored politicians.

Under federal election laws, the Democrats and Republicans each receive \$15 million in taxpayer funds to pay the costs of their conventions. But this sum—a huge government subsidy for the two parties of big business—is dwarfed by the gusher of money pouring in from corporate America. The host committees for Boston and New York City have pledged to raise a combined \$110 million in private contributions to wine and dine the convention delegates. This staggering sum is more than the cost of the entire presidential election campaign in any year before 2000.

Changes in campaign finance laws have facilitated the flood of corporate cash to the conventions. The passage of the McCain-Feingold Act in 2002 outlawed huge “soft-money” contributions to candidates from corporations, unions and the wealthy, but it did not bar similar contributions to the local host committees which sponsor the conventions and are nominally separate from the party organization. Then last year the Federal Election Commission eliminated a regulation, adopted in 1994, that required companies contributing to a host committee to be locally based. The result: while nine companies gave substantial amounts to both Democratic and Republican conventions in 2000, 20 companies have done so this year.

According to preliminary data supplied by the host committee, 150 big corporations and other wealthy

donors have pumped \$39.5 million into receptions, parties and other events surrounding the Democratic convention. Four companies—Raytheon, the big defense contractor; New Balance, a Boston-based shoe manufacturer; IBM; and Fidelity Investments—have given at least \$1 million apiece for the Boston affair. AT&T, Nextel Communications and Amgen each gave at least \$500,000.

Dozens of large companies are hosting “tributes” for favored Democratic congressmen and senators, in many cases rewarding them for specific legislative favors. A *New York Times* account described an atmosphere of “boat cruises, golf outings, concerts and late night events in locations like the trendy club Saint, which features an all-red ‘bordello room’ and beds for patrons to lounge.”

The huge drug-maker Bristol-Myers Squibb is co-sponsoring a bash at Symphony Hall in honor of Senator Edward Kennedy, whose initial support for Bush’s Medicare drug plan was critical to passage of a measure which amounts to a huge federal subsidy to the pharmaceutical industry.

Two dozen corporations and trade associations are sponsoring a retirement party for Senator John Breaux of Louisiana, perhaps the most prominent pro-business dealmaker in the Senate. According to the *Times*, the event at the New England Aquarium “is expected to draw some 1,000 people, including up to 40 lawmakers. Sponsors spent \$10,000 to \$30,000 each to create a Caribbean theme, where guests will sip rum drinks and listen to Ziggy Marley perform as eels, turtles and sharks drift in a tank nearby.”

MBNA Corporation, Merrill Lynch, Bank of America and other finance companies will host a lavish brunch for the Democratic members of the House Committee on Financial Services and the Senate Banking

Committee. Another party for the Democratic whips in the Senate and House, Senator Harry Reid of Nevada and Representative Steny H. Hoyer of Maryland, will draw more than a dozen companies paying \$25,000 each, including Motorola, FedEx, Altria Group (Philip Morris), BellSouth, Fannie Mae and Motorola.

Democratic lobbyist Anthony Podesta told the *Times*, “It’s an opportunity to do something nice for two big leaders in the Democratic Party who are very influential on many, many decisions that are made. There’s no question that is on the mind of everybody who decided to sponsor this.”

A particularly significant donor is Microsoft, which is providing over \$100,000 to the Democratic convention. The world’s biggest software maker is also the largest corporate donor of campaign contributions over the past five years, with a total of \$11.4 million. Microsoft gave disproportionately to the Republican Party in the 1990s, especially during the period of the Clinton administration’s antitrust lawsuit against it. But since Bush took office and the antitrust suit was dropped, the company has swung back to an even handed approach to buying politicians on both sides. Democrats have collected 58 percent of Microsoft’s campaign contributions for the 2004 election campaign.

Besides corporations paying for lavish tributes to politicians, there will be other parties and dinners in which politicians will pay tribute to wealthy donors, including a Wednesday night dinner to salute those who raised at least \$200,000 for Kerry.

The *Washington Post* summed up the atmosphere at the Democratic convention in an analysis Monday which declared, “Money in politics is cool these days.”

According to the *Post*: “The multimillion-dollar extravaganza, paid for largely by private donations, is testament to the unabashed impact of election-year lucre. Discretion has been overwhelmed and not merely at the convention itself. All over town, interest groups and lobbyists are underwriting hundreds of parties for elected officials and their staffs—some for fun, all for the purpose of currying favor, and a few to put even more dollars into incumbents’ campaign coffers. The Republican convention in New York at the end of August will be just as garish and over-the-top. Yet no one at either place will apologize—quite the opposite. In 2004, a brimming treasury is a symbol of status, not of shame.”

Further comment is almost superfluous. Such is the decay of American capitalism and the complete domination of big corporate money over the political system, that the assemblages of the two major parties give off an odor that has more in common with the late Roman Empire than anything deserving the name of democracy.



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