

# The Republican convention: Wall Street fetes its political stooges

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A dank air of corruption hangs over Madison Square Garden. Modern American politics never had a golden age untouched by graft. It was not for nothing that Mark Twain once wrote, “America is a nation without a distinct criminal class, with the possible exception of Congress.”

However, the Republican National Convention in New York City is breaking new ground in the shamelessness with which corporations are feting Bush administration officials and members of Congress. In numerous cases, firms are rewarding politicians directly charged with regulating or policing their industries.

There is a brazen and almost orgiastic character to the celebrations in New York that suggests a financial aristocracy and political elite so immersed in their own corruption and bedazzled by their astonishing success in enriching themselves over the past two decades that they cannot control themselves.

There may be relatively few illusions in the general population about the moral fiber of the current Republican Party leadership, but it is still useful to contrast the pontificating from the podium about “values” and recurring references to the “party of Lincoln” with the reality of an organization entirely at the beck and call of the corporate elite.

As the WWSW pointed out last month in its coverage of the Democratic Party gathering in Boston, both events “are being bankrolled by giant corporations, which are making use of the conventions as a form of legalized bribery of favored politicians.”

The Republican convention will cost some \$64 million, paid for by more than 100 corporate contributors and individual billionaires (such as New York’s Mayor Michael Bloomberg and David Rockefeller). The Democratic version cost a mere \$39 million.

Some examples of corporate generosity: General Motors offered the Republicans the use of 300 autos, buses and pickups to help transport delegates; Nextel donated wireless phones and Blackberrys; Microsoft provided software devices; Panasonic sent 100 Viera high-definition plasma monitors—costing up to \$8,000 apiece—to New York and Boston.

Other large corporate givers include Altria Group (formed by the merger of Kraft Foods and Philip Morris), AT&T, Verizon and pharmaceutical giants Pfizer and Bristol-Meyers Squibb.

Time Warner CEO Richard Parson is holding a \$1 million party for the 15,000 journalists attending the Republican meeting.

The corporate largesse is so blatant and brazen that even the American media has been obliged to take note.

*St. Petersburg (Florida) Times* business columnist Robert Trigaux points out that “Florida’s delegates, for example, have a large room at the Hilton hotel as their headquarters this week. It is supplied, as a sign at the door duly notes, courtesy of Gulfstream Gas. That’s a business, co-owned by Williams Gas and Duke Energy, that supplies natural gas to central Florida consumers over a 400-mile, \$1.6-billion pipeline from gas wells in Alabama.”

Trigaux continues: “Among the investment banks honoring key members of Congress in positions to influence legislation are the two biggest banks in Florida. Bank of America and Wachovia—North Carolina institutions eager to gain a higher profile in New York City’s money world—are prominent contributors to the Bush campaign and also big party sponsors this week.”

And further: “In the midst of an expensive war with Iraq, let’s not forget the festivities provided by major defense companies. Lockheed Martin is hosting a reception for Rep. Harold Rogers of Kentucky...while running an ad in special convention publications showing the Statue of Liberty and the slogan: ‘We never forgot who we’re working for.’ Along the Hudson River, Boeing feted Rep. Peter Hoekstra of Michigan, recently picked to succeed Rep. Porter Goss as head of the House Intelligence Committee.”

The *Philadelphia Inquirer*’s Mario F. Cattabiani notes: “Here, in the mecca of capitalism, corporations have spent months lining up the best locations, the best party planners, and the best pols to honor over the four-day Republican National Convention.

“DaimlerChrysler, Union Pacific, General Motors and others grabbed up House Speaker J. Dennis Hastert. Bank of America booked House Rules Committee Chairman David Dreier for what was billed as a ‘Big Apple Martini and Bowling’ bash.

“PepsiCo picked Senate Majority Leader Bill Frist, who is eyeing a White House run in 2008. And it is dropping a bundle, even by New York standards—more than \$125,000 for its three-hour Metropolitan Museum reception.”

*New York Newsday* comments acerbically: “Want to show off your Texas Two-Step and cowboy boots? You need to get into the ‘Good Ol’ Honky Tonk Salute’ honoring Rep. Joe Barton (R-Texas), chairman of the House Energy and Commerce Committee. It’ll help if you know someone at the Nuclear Energy Institute, the National Mining Association or the Edison Electric Institute (the utilities’ trade association), because they each paid \$20,000 to throw the shindig.

“Feel like something classier, like hearing Frank Sinatra Jr. perform in the Rainbow Room? Just give at least \$25,000 to a ‘charity’ called the American Council for Excellence and Opportunity, which promotes ‘programs that encourage and support free market philosophies.’ “

Sam Roberts in the *New York Times* comments that lavish convention parties illustrate “the widespread practice of currying favor that goes on at the national conventions, where lobbyists, trade associations and other groups seek out the people who already have the power—and will retain it after the delegates have come and gone.” Roberts goes on: “Lobbyists, trade associations, other advocacy groups and their representatives are paying homage not only to the Bush administration but also to members of Congress, particularly those who run the place and its most powerful committees.”

One of the more forthright pieces about the money being shoveled out in the direction of Bush administration officials and Republican leaders in Congress appeared in the August 30 *Washington Post*, under the headline, “Wall Street Plays Party Host.”

Here is truly big money. The *Post* article explains that the Republican convention “is being bankrolled and feted to an extraordinary degree by the financial services behemoths.” Thirty-one of the convention’s 78 major benefactors are companies and individuals involved in finance, insurance, accounting or banking.

These firms have every reason to be grateful to the Bush administration. They have raked in billions of dollars as the result of the government’s measures to redistribute wealth to the advantage of the corporate elite. These measures include cuts in capital gains and dividend taxes, which will slash federal revenues by \$125.3 billion through 2010—with the bulk of this vast sum being channeled into the coffers of Wall Street firms and their top investors and executives.

Bush has pledged to make his tax cuts for big business and the rich permanent, and repeal the estate tax. The latter measure will mean a 10-year loss in government revenues of \$133.2 billion.

Small wonder that Richard J. Hunt, a senior vice president of the Securities Industry Association (SIA), told the *Post* that “No administration has done more for the investor than President Bush and this Congress.” The events and festivities are “a way to honor those members of Congress who helped our industry.”

The SIA, the Bond Market Association, the American

Bankers Association and the Financial Services Forum are hosting numerous events.

Parties of special note are those held this week to honor Rep. Michael G. Oxley (R-Ohio), chairman of the House Financial Services Committee. Oxley and his committee presided over the corporate accounting scandals, doing everything in their power to contain the damage to corporate America and dilute accounting reform legislation.

The *Newsday* article cited above takes note of one of the events honoring Oxley, who “just happens to be chairman of the powerful House Financial Services Committee, a fact that hasn’t escaped notice of the Securities Industry Association and the Bond Market Association, which are roping in donations for the evening’s festivities.”

Oxley receives a great deal of money from the financial services industry. According to 2003-2004 data, he netted \$197,656 in campaign contributions from securities and investment firms, \$191,800 from commercial banks, \$125,500 from insurance companies, \$111,999 from finance/credit companies, \$98,600 from accounting firms, \$61,250 from real estate companies, \$55,000 from computers/Internet firms, \$54,250 from lawyers and law firms, and \$40,038 from pharmaceutical and health product companies.

The congressman recently told the Gannett News Service that his votes in the House are not influenced by industry contributions.

Other scheduled parties this week include a reception sponsored by the American Bankers’ Association to honor Sen. Richard C. Shelby (R-Alabama), chairman of the Senate Banking Committee, and another party for Rep. Richard H. Baker (R-Louisiana), chairman of the House Subcommittee on Capital Markets, Insurance and Government. The latter party, “A Salute to Capital Markets,” is sponsored by the National Association of Securities Dealers.

Some of the largest contributors to the Bush re-election effort are top executives of financial services and accounting firms. The top 10 include Morgan Stanley Dean Witter (\$517,680), Merrill Lynch (\$486,154), Pricewaterhouse Corp. (\$484,150) and UBS Financial Services (\$355,650).

Individuals employed by the financial services industry have contributed \$12.2 million to the Republican Party. They have also given \$8.7 million to the Democratic Party.



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