

On eve of “Super Tuesday” primaries, Wall Street casts the money ballot

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With US voters going to the polls this “Super Tuesday” to choose between presidential nominees in both major political parties, the American and world mass media have focused enormous attention on the campaigns being waged for votes and convention delegates in 24 states.

Less scrutiny has been given to an even more hotly contested and in many ways more decisive contest going on behind the scenes—the struggle between the rival candidates for campaign cash from major financial interests. In this silent primary, the financial-corporate elite exerts its influence and works to secure its interests with hefty contributions.

Data contained in mandatory quarterly reports filed with the Federal Elections Commission (FEC), which were made public last week, demonstrates that Democratic candidates are significantly outstripping their Republican counterparts in this contest.

The reports indicate that the 2008 elections will be the most lavishly funded in American history, far outstripping the previous record of \$1 billion established in 2004. Already, the candidates of the two major parties have raised \$582.5 million, as compared to \$322.5 million at the same point in the 2004 campaign.

The two remaining Democrats in the presidential race, senators Hillary Clinton and Barack Obama, raised, respectively, \$106.1 million and \$102.1 million for all of 2007. In the last quarter, Clinton raised \$27.3 million while Obama took in \$23.5 million.

The total raised by all Democratic candidates in the course of the year equals \$317.3 million, nearly double the amount raised by all the contending Democrats by the same point in the 2004 primary season.

On the Republican side, the current front-runner for the party’s presidential nomination Senator John McCain raised \$37.4 million in all of 2007, while his rival, former Massachusetts governor Mitt Romney, raised \$53.9 million. Together, this amounts to less than half of the campaign cash raked in by the front-running Democrats. In the last quarter, Romney raised \$9 million and McCain \$6.8 million, which

amounts to less than a third the money raised by the top two Democrats for the same period.

Among the most important sources of campaign cash for both parties is Wall Street. Employees of the major investment banks and finance houses shelled out over \$34 million to presidential candidates last year. Clinton and Obama each raised more than \$5 million from the financial industry as a whole. Romney took in \$4 million, while McCain trailed with \$2 million.

An analysis of the FEC filings done by the McClatchy news agency surveyed 12 major Wall Street firms, including Goldman Sachs, Merrill Lynch, Citigroup, Lehman Brothers, Morgan Stanley and the Swiss-owned UBS, comparing their contributions to the two front-running Democrats and top two Republicans in the course of last year. It found that that finance capital was tilted heavily towards the Democrats in the current election campaign.

According to McClatchy, Clinton received \$2 million in donations from the 12 firms’ employees in 2007. Those at Morgan Stanley donated \$373,020, Goldman Sachs accounted for \$316,001, and Citicorp, \$290,000.

For his part, Obama pulled in a total of \$1.7 million from the same finance houses, which included \$288,835 from Goldman Sachs, \$242,395 from UBS and \$226,805 from Lehman Brothers.

The Wall Street money for the Democrats far outstripped that which went to the Republican side, with Romney pulling in a total of \$895,915 and McCain, \$704,423. Morgan Stanley, for example, gave three times as much money to Clinton as to McCain, while Obama received twice as much money from Goldman Sachs as Romney.

A similar breakdown was seen at Wall Street hedge funds and private equity firms, which cater largely to the top layers of America’s financial oligarchy. The Center for Responsive Politics (CRP) (<http://www.opensecrets.org>), a non-profit group that tracks campaign funding, reported that these firms had contributed a total of \$3.6 million in the course of 2007. Hillary Clinton placed first with this section of Wall Street, netting \$1.3 million, while Obama came in second with \$1

million. The Republicans trailed behind, with Romney getting \$837,000 and McCain \$395,000.

While formally the Wall Street contributions are listed as donations from individual employees of the firms, in practice much of this money consists of bundled contributions from financial executives who give the highest donations allowed by law, with the clear aim of promoting the candidates whom they see as best serving the interests of finance capital and America's wealthy elite.

Under conditions in which the major financial firms and investment banks have been forced to write off tens of billions of dollars in assets in recent months and are facing increasing scrutiny—including potential criminal probes—into their role in the subprime mortgage debacle, these layers clearly see the Democrats as reliable guarantors of their interests.

Since the Democrats took over the leadership of both houses of Congress in 2006, they have proven their usefulness to Wall Street. Last August, the party's leadership succeeded in burying a proposal to impose the normal rate of taxation on the massive incomes of hedge fund operators. These multi-millionaires and billionaires enjoy a loophole allowing them to claim the bulk of their income as capital gains, which are taxed at a flat rate well below income tax rates. Moreover, neither of the Democratic front-runners has put forward any proposals in regard to the subprime meltdown that would infringe on Wall Streets interests.

The other major sources of large, bundled contributions are law firms and lobbyists. Together with the finance houses, they account for 46 percent of all large contributions—considered to be \$200 or higher.

According to the CRP analysis, law firms, which frequently function as lobbyists for major corporate interests in the political arena, donated nearly \$27 million in 2007. Of this money, Democratic candidates received nearly 80 percent. Clinton got \$11,756,493 from the legal industry, while Obama received \$9,521,441. The Republicans did not come close: \$2,508,185 for McCain and \$2,433,054 for Romney.

In terms of contributions from lobbyists, Clinton also enjoyed a clear lead, with \$823,087, nearly twice the amount received by her runner-up, Republican McCain. According to a survey done by Public Citizen, a Washington-based non-profit group, McCain counts 26 registered lobbyists among his campaign advisors and fund raisers, while Clinton has 11. Romney took in \$255,175 from the lobbyists. Obama, who has claimed that his campaign rejects any contributions from lobbyists, still reported \$86,283 in contributions from employees of lobbying firms.

The Democrats also enjoyed a clear lead in contributions

from the health care and pharmaceutical industries, which clearly see the policies of Clinton and Obama—whatever their campaign promises of health care reform—as supportive of the huge profits garnered by this sector.

From the pharmaceutical industry, Clinton received the most money—\$349,270—with Obama close behind—\$337,525. Romney received \$318,226, and McCain just \$97,597.

Democrats received more than two-thirds of the contributions from hospitals and nursing homes, according to the CRP data, and nearly two-thirds of the money from HMOs.

The only major sector that directed the bulk of its contributions to the Republicans was oil and gas, which gave nearly 65 percent of \$1,138,764 to Republican candidates. Other significant sectors examined in the CRP survey—insurance, real estate, telecommunications—more or less split their contributions down the middle between the two big business parties.

Reflecting Obama's growing support within the US financial elite, the Illinois senator's campaign announced last week that it had raised over \$32 million in January, a record for any candidate in a single month. Candidates are not required to report their January totals until the 20th of this month, but the Obama campaign was clearly anxious to get the news out. The Clinton campaign has yet to announce January figures, which is widely seen as an indication that Clinton trailed Obama in the race for cash last month.

This shift in funding towards Obama indicates a growing conviction within substantial sections of the corporate-financial elite that his candidacy would provide the best vehicle for refurbishing the domestic and foreign policy of US imperialism and upholding their interests.



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