Obama inauguration: The rich and famous throw a $45 million party

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It is anticipated that as many as two million Americans will attend Barack Obama's inauguration on January 20. Yet all but a handful will be shut out of the real party, which will take place at a series of invitation-only inaugural events. In these rarified quarters, the rich and powerful will rub elbows with members of the incoming administration and top Congressional Democrats. Acquaintances will be made or renewed, toasts offered and deals cut.

Obama aims to raise as much as $45 million for his inauguration. The figure would be the most-ever spent on the festivities related to the inauguration of a US president, eclipsing the $42.3 million given to President Bush's inauguration in 2005. Thus far Obama has raised nearly $25 million.

Once again the majority of Obama's donations have come from a handful of wealthy figures. One hundred and eighty-nine donors have raised or "bundled" 87 percent, or $21.6 million, of the total. Of these, 103 also raised money for Obama during the presidential campaign, during which he obliterated previous campaign fundraising records, raising about three quarters of a billion dollars, only one quarter of which came from small donors.

In the sordid landscape of US politics, the financial aristocracy and the political elite have long taken presidential inaugurations as opportunities to buy and sell influence. In reality, the event is a sort of political marketplace rather thinly, and gaudily, disguised as a celebration of democracy. The election safely behind, and the next one four years away, incoming presidents have felt little need to hide the true nature of the affair.

But in the course of a two-year campaign, Obama portrayed himself as the candidate of "change" and as a bitter opponent of "politics as usual."

In a half-hearted effort to live up to such self-generated hype, Obama has made certain cosmetic changes to the way money is raised for the inauguration. For the first time, a presidential inauguration will disclose a list of donors, while donations from corporations, lobbyists, and unions have been ostensibly banned. Donations are "limited" to $50,000, down from the $250,000 maximum accepted by Bush four years ago.

Commenting in the *New York Times*, Linda Douglass, an Obama inauguration spokesman, attempted to reassure critics. "No one who has contributed to President-elect Obama has ever been led to believe that they're going to have any special influence with him," she said. "He is passionately committed to changing business as usual and breaking the grip of special interests on government."

But the net effect of these "reforms" on influence peddling will be—zero. As the *Times* notes, "while the limits may be tighter than in previous years, there are ways around them."

For example, George Soros, the billionaire who made his fortune largely by speculating on the movement of currencies, has circumvented the maximum donation rule by handing over money in the names of members of his family, in this way giving $250,000.

In addition, while corporations are barred from donating, corporate CEOs are certainly not. Microsoft and Google executives, for example, have given a combined $300,000 and $150,000, respectively to the inauguration fund. This is a repeat performance from the campaign, when executives from each of the two corporations gave Obama more than $700,000.

Craig Holman of Public Citizen, a group that seeks to limit the influence of money on politics, commented, "It's the same well-connected big-money people who

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are now funding the inaugural." This is no different, at heart, than the inaugurations of George W. Bush. "What they get is a chance to influence policy or get government contracts or earmarks," Holman said.

The list of those signing checks for between $25,000 and $50,000 for the inauguration is dominated by executives of hedge funds and investment firms, prominent lawyers, Silicon Valley computer tycoons and members of the Hollywood nomenklatura. To cite but a few examples, director and producer Steven Spielberg and his wife Kate Capshaw each gave $50,000, as did studio executive Jeffrey Katzenberg and his wife, Marilyn. John Keane of CBS-Viacom gave $50,000. Louis Susman of Citibank, whose firm has received tens of billions in TARP loans and direct cash infusions from the government, gave the inauguration festivities $50,000.

The millions raised by Obama donors are set aside for the balls, dinners and gala events for the well heeled. US taxpayers and the impoverished city of Washington DC will have to foot the bill for the more mundane expenses associated with the inauguration, such as the massive police-security operation and the provision of outdoor toilets for the hundreds of thousands who will come to the nation's capital for the inaugural festivities.

For the last Bush inauguration taxpayers paid $115 million for these details, while the wealthy spent $42.3 million for their exclusive balls. The taxpayer bill for the Obama inauguration will prove much higher. Only 400,000 attended the Bush swearing-in, while more than 2 million are anticipated for Obama's.

As for the official events surrounding the inauguration, it is easy enough to discern the relationship of forces behind the Obama administration.

For the wealthy elite, Obama has planned, according to the *Times*, "dinner for top financial contributors [Saturday] night"; "brunch on Sunday for donors"; "a political briefing on Monday for donors"; "an invitation-only bipartisan dinner" Monday evening; and "10 balls at night, one more than Mr. Bush."

As for "the public," it may attend: "a welcoming concert at the Lincoln Memorial"; "a day of community service"[!]; "a youth concert at the Verizon Center"; "the traditional inauguration ceremonies on Tuesday followed by a parade"; and one "'neighborhood' ball open to the public."

Fred Wertheimer, whom the *Times* describes as "a longtime campaign finance expert," complained, "at a minimum, it raises appearance questions."

To say the least.

The tens of millions of dollars the wealthy elite is spending on Obama's inauguration is more than just bad form. The privileged are celebrating the victory of someone whom they are convinced will defend and advance their interests.

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