

# Romney wins New Hampshire Republican primary

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Former Massachusetts governor Mitt Romney won the New Hampshire primary Tuesday, giving him a significant lead in the contest for the Republican presidential nomination. Romney was projected as the winner by the television networks as soon as the final polling stations closed at 8 p.m. His share of the vote was estimated at 37 percent.

Right-wing libertarian Ron Paul finished second with 24 percent, and former Utah governor Jon Huntsman was third at 17 percent. Trailing with 10 percent apiece were former House speaker Newt Gingrich and former Pennsylvania senator Rick Santorum, the co-leader with Romney in the first Republican contest, the Iowa caucuses.

Voter turnout was modest despite the intense campaigning by five candidates, mild weather, the lack of any contest in the Democratic Party, and primary rules allowing independents and registered Democrats to cast ballots in the Republican race.

Paul's campaign benefited in particular from self-described independent voters, whose support for the candidate was based on Paul's denunciation of war and attacks on civil liberties, which he combines with opposition to the Federal Reserve, absolute defense of property and calls for immediate cuts of \$1 trillion in government spending.

While there were initial predictions of a record turnout, this apparently did not materialize. Romney could actually receive fewer total votes as the winning candidate in 2012 than he did in finishing second to John McCain in 2008.

Romney's victory came despite a last-minute barrage of attacks on his record as the CEO of Bain Capital, a private equity firm specializing in the takeover and restructuring of financially struggling companies, many of which resulted in bankruptcy, closure and mass

layoffs. Romney headed the company from 1984 to 1999, amassing a fortune estimated at more than \$250 million in the process.

A devastating analysis published Monday in the *Wall Street Journal* examined 77 deals in which Bain invested in a company during that period, including 22 cases in which the takeover ended in bankruptcy or the takeover target went out of business. Overall, Bain reaped phenomenal profits, reporting \$2.5 billion in gains for its investors on about \$1.1 billion invested, with annual profit rates averaging between 50 percent and 80 percent.

While these numbers place Bain Capital in the second or third tier in terms of the size of its operations, the rate of profit typifies the completely predatory role of takeover firms, corporate raiders, hedge funds and other financial "innovators," as they are so diplomatically described in the business press.

It is not a matter, however, of "rogue" firms or "vulture" capitalists, in the populist language employed both by Romney's Republican critics and the Obama reelection campaign, but of the working of the capitalist system as a whole. The process of financialization of the US economy has unfolded over the past three decades, with financial firms now raking in as much as 40 percent of all corporate profits, while manufacturing is in sharp decline.

Three of Romney's rivals, Gingrich, Perry and Huntsman, began to raise the issue of Bain Capital in the last few days before the primary in a manner which was completely cynical, since all three are fervent defenders of the profit system.

Gingrich, the most aggressive of the three, declared in a television appearance Monday, "If the rich guy's taking all the money and the working guy's being left an unemployment check, that's not sound, healthy

capitalism.” He asked rhetorically, “Is capitalism really about the ability of a handful of rich people to manipulate the lives of thousands of other people and walk off with the money?”

Actually, that is the essence of capitalism—the exploitation of the vast majority of the population, the working class, for the profit of a tiny handful of capitalists. Gingrich is a proven defender of that system, and in the 12 years since he left Congress has collected millions in fees for advising financial firms. He joined the advisory board of another buyout specialist, Forstmann Little & Co., as well as investing in it.

Equally demagogic was the intervention of Texas governor Rick Perry, who is focused entirely on the South Carolina primary and did not campaign in New Hampshire. He cited the example of a steel company in South Carolina, one of those profiled in a 27-minute documentary film on Bain Capital, where “Mitt Romney’s private equity firm, they looted that company with more than \$20 million in management fees.”

The workers had “large portions” of their pensions and health insurance taken away, Perry continued, concluding “there is something inherently wrong when getting rich off failures and sticking it to someone else is how you do your business. I happen to think that that is indefensible.”

Perry has supported the systematic cutting of wages and benefits for millions of workers in Texas, the state with the largest number of minimum-wage workers and the highest percentage of uninsured.

Huntsman offered a more cautious take, saying of Romney, “It may be that he’s slightly out of touch with the economic reality playing out in America right now, and that’s a dangerous place to be.” The former Utah governor is heir to a fortune at least as large as Romney’s, since his father founded and still runs the giant Huntsman Corporation, a billion-dollar packaging and chemical manufacturing firm.

The pseudo-populist attacks on Romney provoked a sharp reaction in the ultra-right media, including the Fox News empire of billionaire Rupert Murdoch, *National Review* magazine, and right-wing talk radio. These elements are clearly concerned that any raising of the issue of economic inequality and predatory capitalism, even in the transparently demagogic fashion

of Gingrich and Perry, could find a response.

Fox News coverage of the New Hampshire results was markedly pro-Romney, and went out of its way to praise the activities of Bain Capital and other private equity firms. Rush Limbaugh, usually a vocal critic of Romney, blasted Gingrich Monday, declaring that his criticism of Bain Capital was “out of bounds for those who value the free market.”

Two of Romney’s opponents, Ron Paul and Rick Santorum, declined to join in the anti-Bain campaign. Santorum criticized it as an attack on free enterprise, saying, “I’m not making it a liability. I believe in the private sector.”

Paul made the most strident defense of Romney. In a press interview while campaigning in Manchester, New Hampshire, he praised Bain Capital and denounced those who were criticizing it. “I think they’re wrong. I think they’re totally misunderstanding the way the market works,” Paul told CNN. “They are either just demagoguing or they don’t have the vaguest idea how the market works.”

The Republican campaign now moves on to South Carolina, whose January 21 primary could well be the last stand for the Christian fundamentalist and Tea Party elements opposed to Romney. Significantly, South Carolina Governor Nikki Haley, who won the Republican primary in 2010 with Tea Party support, has endorsed Romney, and he now leads in the polls, although by a smaller margin than in New Hampshire.



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