

Super PAC reports reveal the narrow base of US politics

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Reports filed with the Federal Election Commission January 31 identify a small number people—a few dozen in the case of the Republican candidates, a few hundred in the case of Obama—who are providing the bulk of the financial support to the election campaigns of both big business parties.

The best-financed Republican candidate, former Massachusetts governor Mitt Romney, collected a quarter of his campaign funds from just 41 people, according to a Washington Post analysis of data collected by the FEC. Each of these 41 gave more than \$100,000, and 11 gave \$1 million or more.

The large donations all went to Restore Our Future, the political action committee established by former Romney aides to collect funds beyond the \$2,800 legal limit for donations directly to the candidate.

The so-called super PACs like Restore Our Future were legalized by the Supreme Court's January 2010 decision in the *Citizens United* case. Based on this court ruling, the super PACs may collect unlimited funds from corporations, unions and the wealthy. They may spend unlimited amounts to support their favored candidates, but cannot directly coordinate their activities with the candidates' official campaign structure.

Four of Romney's million-dollar backers are hedge-fund managers based in New York, including John Paulson, who holds the record for the highest one-year income ever recorded in the United States, \$5 billion for betting the subprime market would crash in 2008. The other three are Julian Robertson of Tiger Management, Robert Mercer of Renaissance Technologies, and Paul Singer of Elliott Management.

Other financiers backing Romney include Francis Rooney, whose Tulsa-based Rooney Holdings gave \$1 million; Lewis Eisenberg of Kohlberg Kravis Roberts,

the buyout specialist; Miguel Fernandez, a private equity partner in Miami, who gave \$500,000; and a group of Goldman Sachs executives who kicked in \$385,000. Several of Romney's former partners at Bain Capital made contributions of either \$1 million or \$500,000.

The pro-Romney super PAC also received \$1 million from Bill Koch, son of the founder of Koch Industries and brother of the Charles and David Koch, the ultra-right billionaires who still run the company, and \$1 million combined from four subsidiaries of Melaleuca, a vitamin and "natural" cleaning products company run by Frank VanderSloot.

Harlow Crow, a Texas construction mogul, gave \$300,000, some members of the Walton family, billionaires from their Walmart holdings, gave \$200,000, and Texas home builder Bob Perry, a former supporter of Texas governor Rick Perry, gave the pro-Romney PAC \$500,000 after Perry dropped out of the race. Consol, the huge coal production company, made a six-figure donation as well.

By one tally, some 200 individual and corporate donors provided a combined \$30 million for Restore Our Future, which has played a critical role so far in the Republican presidential campaign. It has targeted House Speaker Newt Gingrich with \$17.1 million in negative ads, first in Iowa, then in South Carolina and most successfully in Florida, where it spent \$10.7 million.

By one accounting, super PACs linked to the various Republican candidates accounted for \$25 million of the \$53 million spent in 2011, nearly half the total.

Gingrich's campaign has been sustained by an even narrower group of supporters than Romney's, essentially the members of one family. Las Vegas casino billionaire Sheldon Adelson, proprietor of Sands

Corporation, gave \$5 million to the pro-Gingrich super PAC Winning Our Future. His wife Miriam also gave \$5 million, while her two daughters and their husbands provided another \$1 million between them.

In addition, Texas billionaire Harold Simmons, a former Perry supporter, and Alabama real estate investor W. S. Propst gave \$500,000 apiece. These eight donors, six in one family, account for the entire \$12 million available to Winning the Future.

Besides those linked to the candidates themselves, there are several Republican super PACs established to attack Obama and the Democratic candidates for Congress between now and the November 6 election. The largest is American Crossroads, run by former Bush political aide Karl Rove, which has collected \$51 million—\$7 million of it from Simmons, who is the largest single donor to pro-Republican funds.

Obama and the Democrats have collected an even greater war chest from a slightly wider field of ruling class supporters. The Obama campaign reported Tuesday that it had raised \$128 million in 2011, more than twice the \$57 million raised by the Romney campaign. Obama raised an additional \$94 million for the Democratic National Committee and other party and candidate committees.

The pro-Obama super PAC Priorities USA trailed well behind the Republican super PACs, with only one seven-figure donor, Jeffrey Katzenberg, CEO of Dreamworks, who gave \$2 million. Dozens of other Hollywood figures gave five- and six-figure amounts to the fund.

The Obama campaign is relying mainly on the mechanism of “bundlers,” individuals who raise money within the \$3,800-per-person limit and commit to soliciting dozens of separate donations and “bundling” them to meet a targeted amount. Some 445 Obama bundlers have raised more than \$50,000 apiece, mainly in California and New York.

There are a few observations suggested by the figures reported to the FEC. First and most obvious is the small number of the contributors who play a major, even decisive role in determining which candidates go forward and which must shut up shop. The entire process is manipulated through the flow of funds and the coverage supplied by the corporate-controlled media.

Secondly, the vast majority even of the super-rich in

the United States are playing no direct role in either the contest for the Republican presidential nomination or the 2012 campaign as a whole. This is not for lack of resources: the amounts being expended are pocket change for those involved—Adelson’s \$10 million to Gingrich, for example, is one two-thousandth of his \$21 billion personal fortune.

Evidently it is a matter of comparative indifference to most billionaires which party, Democratic or Republican, controls the White House and the Congress. They do not bother to lift a finger, because they know very well that both parties are committed to the defense of the profit system and the worldwide interests of American capitalism. If they do have any special requests from the government, they can buy and sell the officials involved a thousand times over.



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