

# Cash and Carry: The Business of American Politics and the Politics of Business

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New York: We live in a country in economic distress. Millions are out of work and cutbacks in public services are pervasive at the city and state levels. The 'great recession' is deep and could go deeper. Most families are tightening their belts and in some cases at the breaking point because their benefits have run out and money is so hard for many to find.

Hard to find, perhaps, for the people, but, curiously, not for their political representatives, their nominal public servants. Despite the fact that popularity for politicians, especially members of Congress, is at an all time low, campaign contributions are at an all time high. (A recent poll showed a majority of Americans want to toss out all incumbents)

The Washington Post reports, "House and Senate candidates have already shattered fundraising records for a midterm election and are on their way to surpassing \$2 billion in spending for the first time, according to new campaign finance data.

To put it another way: That's the equivalent of about \$4 million for every congressional seat up for grabs this year."

Think of that number, think of all the pressing needs in this country, and the world, and weep. But also think about why politics is so associated with, and seemingly dependent, on big bucks.

Some critics seem to believe there is no way to stop these practices because "the beast" must be fed.

"Candidates are raising more money in 2010 than ever before, and spending it at a much quicker pace than 2008," said David Donnelly, director of the, Public Campaign Action Fund's Campaign Money Watch project. "With all the attack ads, candidates have to spend more time dialing for dollars and less time talking with voters. They have to feed the beast – the endless raising and spending for campaigns – that is devouring our democracy."

"Devouring" is a term often associated with beasts.

Donnelly adds, "Regardless of the outcome next Tuesday, the winners will be the big donors.

There has been a big debate this year about the role corporations and to a lesser degree; unions have played in financing campaigns. The recent Citizen United Supreme Court decision makes it legal not to disclose where the money is coming from.

It's been said that business is taking over politics,

As Sheila Krumholz, executive director of the nonpartisan Center for Responsive Politics which tracks political money, writes:

"When tens or hundreds of millions of dollars are targeting these midterm elections and our votes, but their origin is unknowable, one has to wonder whether someone isn't trying to pull a fast one on us."

OK, so we get a disclaimer naming the coalition that runs an ad. Maybe that disclaimer names a group with some vague, innocuous-sounding moniker. Or it's a group signaling that it has many "citizens" or "Americans" behind it. However, these groups often have no publicly known members, donors or contact info."

Many are up in arms about the latest wave of "secret money," some perhaps from overseas—including charges in one race in Washington State that the Saudis are involved. The group Climate Action Network Europe released a new report revealing the effects of Big Business — all the way across the ocean — trying to weaken US environmental laws by backing climate change denialists.

They reported in part:

"Big European emitters Lafarge GDF-Suez, EON, BP, BASF, BAYER, Solvay and Arcelor-Mittal supported climate change deniers in the US Senate in 2010 for \$107,200. Their total support for senators blocking climate change legislation in the US amounts to \$240,200, which is almost 80% of their total spending in the 2010 Senate race. This is why those funds are seen as systemic. This amount is higher than the same type of spending of the most notorious U.S. climate denier and Tea Party funder: Koch Industries (\$217,000)."

Overlooked in all the hoopla is the fact that American politics has itself become a business with a vast network of professional fundraising companies, consultants, advisors and ad agencies profiting from the services they provide in the competitive business at the center of all this. These people run permanent campaigns throwing fundraisers, parties and creating "giving" opportunities.

The politicians don't just hire others. They spent much of their own time "dialing for dollars" as one Congressman I know well told me, in small rooms in the basement of the Congress where phone banks exist to call prospective donors from vast lists.

"Sometimes I just want to quit," said my college friend." I didn't come to Washington to become a beggar, but that's what I do, harassing people I don't know and don't know me to give. Every Member does it because we all live in fear of the other party funding a primary race or buying ads to discredit us. We have to be ready to fight back.

The Post reports that Congressman is in the forefront of this effort to keep their jobs and influence. It's not just about their salaries but their potential to supplement what the government pays them with outside donations.

"As of last week, House and Senate campaigns reported taking in more than \$1.5 billion, exceeding the total collected by congressional candidates in 2006 and in 2008, Federal

Election Commission data show. Most of that money already has been put toward advertising and other expenses.

The Public Campaign Action Fund, a watchdog group, will release a study Tuesday predicting that House candidates alone could spend nearly \$1.5 billion by the time the dust settles on Election Day. The calculation is based on previous elections in which about half of a campaign's money was spent in the final month of the contest"

These candidates also have to kick back portions of their largesse to fund their own parties, helpers and bureaucracies. Many seem to see the campaign trail as a fundraising trail, speaking for fees and generating media visibility that they then can monetize with direct mail solicitations,

In some cases their donors and their lobbyists and well-funded think tanks even do their legislative work that in many by helping draft bills and orchestrate the political agenda. These "donations" of time are not considered contributions and also not reported making the cost of maintaining the political establishment much higher than funds raised in political contributions.

The political elite spends a disproportionate amount of their time insuring that they remain the political elite. This focus on raising money often undermines time spent on raising awareness. It in turn leads to their reliance on being guided by polls, not convictions.

No wonder this has been called "the best election money can buy. Donors and the recipients of their largesse are not naïve. They know that when a politician takes money, there is an expectation of some quid pro quo. This money may not buy the politicians outright, but only rent them for a key vote or two.

Politics is about the never-ending fight over the allocation of resources, deciding what gets funded in the federal budget and then who gets the contracts. It is far more about serving interests than ideology or constituents. Millions of jobs are at stake in federal allocations and most companies have separate divisions, with plenty of former politicians on the payroll to help them win contracts through what is euphemistically called "public affairs."

All want to be insiders, but, to achieve that status, they need access to politicians to do their bidding, to set up meetings, make key introductions and win business that is always rationalized in terms of the jobs, never the profits, that are generated.

On the day the latest report on new records being set in political donations was published, there were reports of Afghan president Hamid Karzai admitting he has received "bundles of cash" from Iran.

The story seemed so crude, so "third World", so corrupt."

Until, that is, you look closely at politics as an industry in the USA where checks and electronic transfers are routine and make it easier to move money around so you don't need paper bags and shady bagmen to carry them.

In the case of Afghanistan, a few days after this disclosure made news, another reported that \$18 billion in US reconstruction aid to American companies—the stuff of endless hours of lobbying—can now not be accounted for.

That's first world corruption with a capital C.

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