

The



LOWDOWN

Edited by Jim Hightower and Phillip Frazer ♦ Vol. 10 No. 6 ♦ June 2008

"Politics is supposed to be the second-oldest profession. I have come to realize that it bears a very close resemblance to the first."

— RONALD REAGAN

"I have also always believed in the wisdom of Ronald Reagan."

— JOHN MCCAIN

Identifying the friends of Clinton, McCain, and Obama:

Who are the big-money givers behind the candidates?

DALLAS OILMAN H.L. HUNT WAS A BILLIONAIRE in a time when such massive wealth was unusual, back in the 1950s and '60s. H.L. was also politically bonkers—so far out there on the right-right-right wing that he considered Dwight Eisenhower a commie. In 1960, Hunt published a novel called *Alpaca*, in which he set forth his utopian vision for the governance of America. In the happy plutocratic kingdom he envisioned, the richer you are, the more votes you get.

Alas, poor H.L. couldn't get any sane people to take him seriously back then. Yet over the years, his wealthatopian fantasy has steadily crept into our political reality, becoming incorporated in today's campaign-funding system. As we've seen in both congressional and presidential races, money doesn't merely talk, it shouts, and it's been drowning out the voice of the people on issue after issue. While wealthy donors make up only a fraction of one percent of the population, they have gained a bigger vote in national public policy than the electorate at large.

The system unabashedly teaches that money is the ballot that counts and big donors are the citizens who matter. This is why a majority of Americans have become disenchanted-to-disgusted with politics during the past few decades. It's also why there is growing support for publicly financed campaigns, which grassroots groups have pushed through in seven states, stretching from Maine to Arizona.

Which brings us to this year's presidential run. While the bulk of the media attention has been on such weighty matters as who's wearing or not wearing flag lapel pins, there's been little focus on the back rooms where the money is being raised. So, in this issue of the *Lowdown*, we take a peek, finding the

predictable, the ironic, and the surprising.

The predictable includes the presence of such Wall Street interests as Goldman Sachs, JPMorgan Chase, Citigroup, Lehman Brothers, and Morgan Stanley on the top-donor lists of all three contenders—Clinton, McCain, and Obama. As Wall Street seeks bailouts and tries to stop

new laws that would regulate financial manipulations, the big banks are hedging their political bets, hoping to have a friend in the White House, no matter who wins.

In the ironic category is the revelation that McCain, who campaigns as Mr. Clean, actually is Mr. Soiled. His top advisors, staffers, and fund raisers are big-time lobbyists who hail from the K Street corridor of influence peddling and include early organizers and funders of Bush Incorporated. These operatives and their corporate clients are out to keep their grip on national policy by forging a McBush presidency.

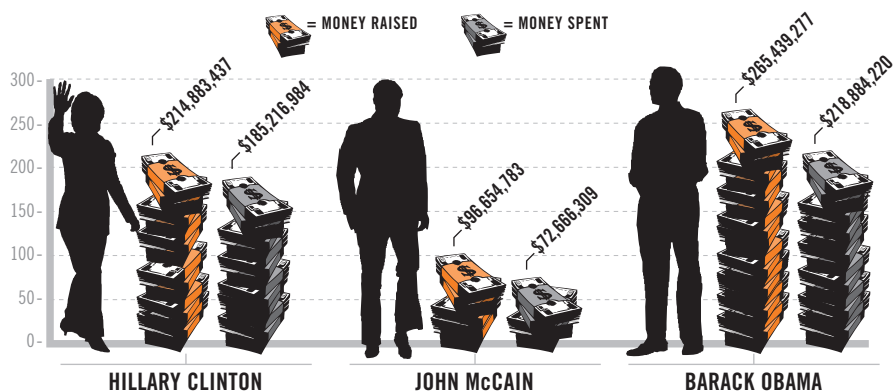
One pleasant surprise is the

wave of grassroots enthusiasm that has allowed both Clinton and Obama to raise dramatically more money than the GOP candidate. Especially in the case of

Obama's campaign, big donors have had to take a back seat to the \$20-to-\$200 political enthusiasts. Most of them donate through his website, and many are young voters. This is money not attached to special-interest favors, and it represents a political revolt that could break the stranglehold of business-as-usual politics.



HOW MUCH THE CANDIDATES HAVE RAISED AND SPENT



PERSONAL FINANCES INCLUDING SPOUSES

CANDIDATES AND THEIR SPOUSES have released their tax returns for 2007, except that **Cindy McCain** released only a summary of hers, from 2006. She is immensely more **wealthy than hubby John**.

	HILLARY CLINTON	JOHN MCCAIN	BARACK OBAMA
Net worth (reported on '06 Senate disclosures)	\$10-\$51 million	\$28-\$45 million but many observers say that Cindy's beer empire makes her worth \$100 million.	About \$1 million
Income (2007) (salaries, interest, dividends, speeches, books, consulting)	\$20,400,000 (their estimate for '07—about half from Bill's speeches)	\$361,373 to John (salaries, pensions, books in '07) PLUS \$6 million to Cindy (in '06)	\$4,238,165 (in '07: \$4 million was from Barack's books)

HOW MANY CONTRIBUTORS ARE GIVING HOW MUCH?

FEDERAL ELECTION RULES require donors of \$200 or more to identify themselves by occupation and employer. **The maximum** any individual can give is **\$2,300 in primaries**, and the same again for the general election, for a **total of \$4,600**.

CONTRIBUTORS	HILLARY CLINTON	JOHN MCCAIN	BARACK OBAMA
Number of \$200+	92,844	42,697	132,125
Number of \$2,300+	25,358	13,112	26,280
Number of \$4,600	8,128	1,765	2,544
Number of CEO donors (Congressional Quarterly)	52	102	45
Number of registered lobbyists bundling donations in excess of \$1,000 (WhiteHouseForSale.org)	22	70	14

Obama's grassrootsiness shows up in this table, showing that almost half his money has come from \$200-or-less donors.

	HILLARY CLINTON	JOHN MCCAIN	BARACK OBAMA
% from donors of \$200 or less	27%	20%	43%
% from donors of \$2,300+	47%	50%	29%
% from donors of \$4,600	22%	12%	5%

[All charts above are based on *opensecrets.org* as of 5/22 except where otherwise noted]

WHO FROM?

So far, **all three candidates** have opted out of federal matching funds.

	HILLARY CLINTON	JOHN MCCAIN	BARACK OBAMA
Individuals	\$192,239,572 89%	\$88,221,824 91%	\$264,493,051 99.6%
By gender	49.2% female	28.2% female	41.8% female
PACs	\$1,251,170 0.6%	\$960,990 1%	0
Their own money	\$10,000,000 5%	Zero reported but wife Cindy may have given a lot—see page 4.	0
Other	\$11,392,696 5%	\$7,471,96 8%	\$946,977 0.4%

From campaign filings to the FEC in May 2008.

WHICH PACs?

	HILLARY CLINTON	JOHN MCCAIN	BARACK OBAMA
Corporate	55%	73%	0
Labor	11%	0%	0
Ideological/Single Issue	34%	27%	0

MCCAIN'S TOP 10 INDUSTRIES

Amounts are the sum of **\$200+ contributions** from the industries or occupations given by individual and PAC donors.

RANK	INDUSTRY	TOTAL	RANK	INDUSTRY	TOTAL
1	Retired	\$9,101,609	6	Misc Finance	\$1,449,917
2	Lawyers/Law Firms	\$4,228,737	7	Health Professionals	\$1,031,244
3	Misc Business	\$3,892,667	8	Commercial Banks	\$1,010,234
4	Securities & Investment	\$3,764,664	9	Business Services	\$1,010,234
5	Real Estate	\$2,915,560	10	Civil Servants/Public Officials	\$637,568

FRIENDS OF JOHN

MCCAIN'S BIG BACKER in the lobbyist world is Blank Rome LLP—known as “ATM of the GOP.” Blank Rome is where **Swift Boat retired Rear Admiral William Schachte** is a lobbyist, and where David Girard-diCarlo, a Bush backer, is chairman. **After Katrina, Blank Rome lobbied FEMA** to award a no-bid contract for rebuilding classrooms to a client who charged taxpayers double the wholesale price.

Telecommunications firms **AT&T** and **IDT** are on the top-donor list for McCain, who chaired the Senate committee overseeing telecommunications for much of the last decade.

In addition, although he bills himself as the feared enemy of special interests, McCain has filled his campaign staff from top to bottom with the very influence peddlers he claims to oppose. The recent revelation that the reprehensible military thugs who rule Myanmar are **clients of two lobbyists working on the campaign has caused a major shake-up**.

In an attempt to recover from this embarrassing exposure, the campaign dumped the lobbyists and loudly proclaimed new ethics rules to bar conflicts of interest on McCain's presidential team. This housecleaning would have been laudable, but instead it immediately turned laughable because the person announcing the rules was **Rick Davis**, McCain's campaign manager. Who's he? A hot-shot Washington lobbyist and former **chief spear carrier for Verizon and other major telecommunications corporations** seeking favors from the Senate committee chaired by McCain.

The old business-as-usual crowd is literally running and funding this presidential campaign, and the “new rules” are a fraud. For example, they bar “active” lobbyists from working “full time” for the McCain campaign. **These phrases are carefully contrived loopholes**, allowing corporate lobbyists either to suspend their active lobbying temporarily to work for McCain's election or simply to work part time for him while still lobbying. Also, note that McCain's ethics don't go so far as to bar lobbyists from giving and raising money for his election.

Among the career lobbyists **still playing major roles in McCain's run** are Charlie Black (top strategist), Randy Scheunemann (chief foreign-policy advisor), Susan Nelson (finance director), Wayne Berman (deputy finance chairman), and Christian Ferry (deputy campaign manager). One more nice touch: In 2005, while he was actively lobbying for corporate interests, Rick Davis also served as part-time president of the Reform Institute, which McCain created to cast himself as having reduced “the influence of special interests” in Washington.

MCCAIN'S TOP 15 DONORS

These amounts are the sum of **\$200+ contributions** from employees of these corporations or institutions given either directly or through PACs administered by these entities.

Merrill Lynch	\$226,550
Blank Rome LLP	\$222,050
Citigroup Inc	\$206,102
Greenberg Traurig LLP	\$173,837
AT&T Inc	\$149,305
Goldman Sachs	\$128,770
Morgan Stanley	\$124,951
JPMorgan Chase & Co	\$123,450
Credit Suisse Group	\$115,625
Lehman Brothers	\$98,400
Univision Communications	\$87,000
Bank of New York Mellon	\$86,500
Blackstone Group	\$86,350
IDT Corp	\$84,850
Wachovia Corp	\$84,050

FRIENDS OF BARACK

OBAMA TAKES NO CONTRIBUTIONS FROM PACS, which are one of the two vehicles for large corporate giving. The other is "bundling"—gathering individual checks from the executives of a corporation. Obama's campaign does accept these donations, including big bundles from **UBS AG**, a bank based in Switzerland that is the world's biggest manager of other people's money; **Exelon Corporation**, the largest nuclear operator in the U.S.; and **Jones Day**, the second-largest law firm in the U.S., which represents more than 250 major corporations, including oil giants, global banks, tobacco companies, and such **notorious names as Diebold and Halliburton**.

OBAMA'S TOP 15 DONORS

These amounts are the sum of **\$200+** contributions from employees of these corporations or institutions given either directly or through PACs administered by these entities.

Goldman Sachs	\$544,481
University of California	\$371,266
UBS AG	\$363,257
JPMorgan Chase & Co	\$353,808
Citigroup Inc	\$331,946
National Amusements Inc	\$313,511
Lehman Brothers	\$312,597
Google Inc	\$293,974
Harvard University	\$292,441
Sidley Austin LLP	\$287,795
Skadden, Arps et al	\$266,413
Morgan Stanley	\$253,576
Jones Day	\$245,875
Time Warner	\$245,828
Exelon Corp	\$229,861

While these interests are investing in a possible Obama presidency, à la the "old politics," this internet-savvy senator has simultaneously wrought a revolution in presidential campaigning through the "new politics" of online outreach, which is bringing in the bulk of his money. **He has amassed more than 1.5 million individual donors, 90% of whom have given \$100 or less** (41% have given \$25 or less), according to the Obama campaign.

Obama's website was designed by Chris Hughes, cofounder of Facebook, which in just a few years has grown to be the world's premier social networking site. **MyBarackObama.com** has become a wonderous money machine, raking in the green from the grassroots. In April, for example, another \$31 million poured into the campaign without Obama's holding a single fund-raising dinner or high-dollar event. **He attracted 200,000 new donors in that one month**, practically all of them below the \$200 level—and most of them young.

Young voters identify with Obama, who is 47 and proclaims himself a "post-partisan" politician. **His "change" mantra promises a**

politics of the new—new people participating, new policies, and a new way of governing. There are about 90 million people in the millennial generation (born in the 1980s and '90s), and since real incomes for their generation have declined by more than 10% over the last 30 years, they want a government that invests in education and health care, expands the economy, and fosters the growth of good jobs.

In the primaries, **Obama has won the support of 6 in 10 voters under age 30**, and by April, more than three million voters under the age of 30 had participated in Democratic primaries, up from about one million four years ago.

OBAMA'S TOP 10 INDUSTRIES

Amounts are the sum of **\$200+** contributions from the industries or occupations given by individual and PAC donors.

RANK	INDUSTRY	TOTAL	RANK	INDUSTRY	TOTAL
1	Lawyers/Law Firms	\$15,019,030	6	Real Estate	\$3,830,977
2	Misc Business	\$13,412,381	7	Business Services	\$3,256,159
3	Retired	\$9,206,269	8	TV/Movies/Music	\$3,214,665
4	Securities & Investment	\$7,498,503	9	Computers/Internet	\$2,698,291
5	Education	\$6,314,947	10	Health Professionals	\$2,482,665

SHOULD OBAMA BE THE LIFE OF THE PARTY?

NOT ONLY IS OBAMA CREATING a new, internet-based political infrastructure that can bypass the money, media, and old-line political establishments, but he's also bypassing much of today's organized progressive structure. While most progressives (groups and individuals) are backing him, his campaign is not a coalition of these forces, nor would his presidency simply wave them inside.

He is building a very broad, youth-oriented, web-connected movement that is rooted in the progressive values of existing networks—but operates outside of them. He is, in effect, creating a new party and, possibly, a new form of politics.

Indeed, many online politicos in their 20s and 30s are not interested in remaking the Democratic party. Instead, they see a future in which a mass online constituency forms its own allegiances to various players and issues. "Party" itself is up for remaking. Obama is reaching for a different political construct that allows for direct grassroots involvement in policy-making, displacing many middlemen and power-brokering institutions.

The worrisome part is that this could concentrate too much power in a new supra-organization: **ObamaNation**. Progressive blogging guru Matt Stoller (*openleft.com*) points out that even as Obama's campaign is offering a revitalized democratic possibility to ordinary people, the means to implement this possibility are not being democratically shared. Instead, it is under the firm control of one charismatic politician: him. For example, Obama's online fund-raising operation (estimated to have three times the fund-raising power of *MoveOn*) could raise big sums for other candidates, but he has unilateral control of the list. He decides who uses it, for what purpose, and when. Also, Obama is going around such progressive coalitions as America Votes to run his own voter-registration drives in all 50 states; several sources say his campaign is urging donors to stop giving to independent get-out-the-vote groups.

The Democratic party certainly needs to be re-engineered to meet the massive democratic potential of the internet and to open itself to the demands of a restive electorate. Also it's not new (nor is it a negative) for a transformative figure with big ideas to redefine the terms of debate and to restructure the political system—think FDR.

But it is not a moment too soon for progressives to be thinking about ways to make sure that an Obama presidency is progressive—in structure as well as in policies.

FRIENDS OF HILLARY

TOP OF HER LIST OF DONORS is DLA Piper, the largest law firm in the United States by number of attorneys and one of the largest law firms in the world. It represents **more than half of America's 250 biggest companies** and its board chairman is former U.S. Democratic Senator George Mitchell, who has worked on everything from the 1998 Belfast Peace Agreement to steroid use in major-league baseball, while also serving as chairman of the board of Disney, Inc.

National Amusements, Inc., is Sumner Redstone's giant media conglomerate, which owns over 1,500 cinemas worldwide plus **CBS** and **Viacom** (which includes MTV, BET, Paramount Pictures, DreamWorks, Midway Games, and half of MovieTickets.com). Redstone's most famous competitor is **Time Warner**, which has almost matched him in giving to Hillary (as well as to Obama).

Apart from EMILY's List and the University of California employees, the rest of Clinton's top backers are the same **Wall Street interests and law firms** that have supported the Clintons since 1990. And the Clintons have returned the favor by appointing bankers like Robert Rubin to run the Treasury. Of course, this revolving **White House/Wall Street door** has been spinning for decades, and in next month's *Lowdown* we'll look at who's most likely to get the top executive slots in a Clinton, McCain, or Obama administration.

CLINTON'S TOP 10 INDUSTRIES

Amounts are the sum of **\$200+** contributions from the industries or occupations given by individual and PAC donors.

RANK	INDUSTRY	TOTAL	RANK	INDUSTRY	TOTAL
1	Lawyers/Law Firms	\$15,425,314	6	Business Services	\$3,922,262
2	Misc Business	\$8,411,793	7	Education	\$3,877,975
3	Securities & Investment	\$6,971,998	8	TV/Movies/Music	\$3,114,988
4	Retired	\$6,937,862	9	Health Professionals	\$2,715,184
5	Real Estate	\$6,077,866	10	Misc Finance	\$2,451,215

HILLARY'S TOP 15 DONORS

These amounts are the sum of **\$200+** contributions from employees of these corporations or institutions given either directly or through PACs administered by these entities.

DLA Piper	\$505,200
Goldman Sachs	\$445,350
Citigroup Inc	\$406,752
Morgan Stanley	\$402,845
EMILY's List	\$323,567
JPMorgan Chase & Co	\$275,864
Lehman Brothers	\$269,560
National Amusements Inc	\$247,050
University of California	\$240,677
Skadden, Arps et al	\$224,610
Time Warner	\$207,050
Greenberg Traurig LLP	\$196,900
Kirkland & Ellis	\$192,551
PricewaterhouseCoopers	\$187,000
Merrill Lynch	\$182,709

WHY CLONING?

The latest advance of science is the cloning of animals. "We can make every cow precisely like its progenitor," exult the lab techs working for corporate cloners. "This eliminates uncertainty in meat production, for every cut can be the exact same texture, taste, and composition. We have achieved the efficiency of the assembly line inside the animal itself!"

Hmm, cloned animals have a startlingly-high propensity to die before birth or shortly after, and abnormal rates of birth defects and health problems? Do we really want to eat that? "Don't worry, the Bush administration has given the OK for meat and dairy corporations to market the cloned stuff to you—without even labeling the product as cloned. Trust us!"

Now I really am worried. We have an abundance of meat and dairy products with a wide variety of flavors and textures produced by unique environments, farmers, and artisans all across our country. Why would we give up all of that richness for a cloned uniformity?

THE PRICE OF SHRIMP

"Giant shrimp" is said to be an oxymoron, but it's also moronic that we've let shrimp become a giant problem in our world.

Welcome to the costly consequences of a globalized food supply. Shrimp is the most popular seafood in the U.S., and we have both top-quality shrimp and excellent shrimpers in America's coastal waters. Yet, unbeknownst to average consumers, 80% of the shrimp we buy is imported, mostly from Asian nations.

The rationale of the import industry (including such big marketers as Wal-Mart) is it is much cheaper to get the product from Asia. But shrimp is not cheap at the retail level because middlemen are skimming off the savings.

And there are other costs.

Start with the excessive carbon footprint created by shipping these crustaceans in refrigerated containers across the Pacific. Add in the damage to local fishing communities when the Wal-Marts abandon American producers.

Nor is our surge in imports a boon to Asian people. A recent report on workers in Southeast Asian shrimp-processing factories uncovered child labor, sexual abuse, debt bondage, forced overtime, and non-payment of wages, describing some of the factories as "little short of medieval."

Meanwhile, as seafood imports have soared, Washington has refused to fix the inspection system. Less than one percent of shrimp entering our ports are even looked at, and only about a fifth of those are inspected. When a batch is tested, a common finding is

that it's contaminated with veterinary drugs, including cancer-causing nitrofurans.

GOOFY IN BAGHDAD

It's now official: Goofy is in charge of the Bush regime's Iraq occupation.

Even as violence has ramped up again in Iraq, the Pentagon is working to bring Disneyland to Baghdad. Well, not literally Disneyland, but a massive, Disney-like amusement park to be named the Baghdad Zoo and Entertainment Experience, featuring hotels, lagoons, rides, skateboarding, animals, and... Mickey Mouse?

The BZEE is the brainchild of Llewellyn Werner, head of a Los Angeles-based private-equity outfit called C3. Investors will put up \$500 million to build the enterprise on a 50-acre plot adjacent to Baghdad's heavily fortified Green Zone. Werner himself

MRS. MCCAIN HELPS OUT

CINDY McCAIN IS HEIRESS to a Phoenix-based beer-distributing company, making her worth about \$100 million. Last month she was embarrassed into divesting herself of more than \$2 million in mutual funds which hold stock in companies doing business with the genocidal leaders of Sudan.

Through her giant Budweiser distributorship, Cindy McCain has also given her hubby fat breaks on air travel. The *New York Times* compared what the McCain campaign paid for using Cindy's private planes with the market rate for the trips taken and concluded that she was "subsidizing her husband's campaign" to the tune of perhaps a half million dollars.

informed the Iraqi people last month about the splendiferous playground he's planning. "It's going to have a huge psychological impact," he said.

Oh, right—an American corporation bringing American culture to Iraq's capital to generate profit for wealthy American investors—that's sure to win the hearts of the locals! "I'm a businessman," said Werner. "I'm not here because I think you're nice people. I wouldn't be doing this if I wasn't making money." Attaboy,

Llewellyn, make 'em love you!

The Pentagon—which of course will deploy our soldiers to defend this private venture from suicide bombings and other attacks—is on board. Bush's "deputy undersecretary of defense for business transformation" said, "Half the Iraqi population is under the age of 15. These kids really need something to do."

Hey, Goofy, thousands of those kids are homeless, impoverished, and don't go to school. How about working on that?

GET THE LOWDOWN! I want to receive a full year of *The Hightower Lowdown* — 12 issues in all—for an unbelievably ridiculous, low, low price.

Send me one year of *The Hightower Lowdown* for just \$15. (Seniors & students—\$12.)

Send me two years of the *Lowdown* for \$27. (Seniors & students—\$22.)

To give a gift of the *Lowdown*, enter the recipient's name and address below and include your name and address on a separate sheet.

NAME _____

ADDRESS _____

CITY _____ STATE _____

ZIP _____

Mail this coupon with your payment to:
The Hightower Lowdown, P.O. Box 20596, New York, NY 10011 06/08

The Hightower LOWDOWN

EDITORS: Jim Hightower, Phillip Frazer
 RESEARCH: Laura Ehrlich CIRCULATION: John Ernst
 COPY WIZ: Gwenda Blair ARTISTE: Matt Wuerker
 LAYOUT: Sahu Barron INTERWEB EMISSARY: Deanna Zandt
 PUBLISHER: Phillip Frazer

The Hightower Lowdown (ISSN 1524-4881) is published monthly by Public Intelligence Inc., 375 South End Ave #14P New York NY 10280. ©2008 in the United States. Periodicals postage paid at New York, NY. Subscriptions: 1 year, \$15; 2 years, \$27. Add \$8/year for Mexico or Canada; add \$12/year for overseas airmail. Back issues \$2 postpaid. Allow 4-6 weeks for receipt of first issue and for all subscription transactions. POSTMASTER: Send address changes to: *The Hightower Lowdown*, P.O. Box 20596, New York, NY 10011.

Moving? Missed an issue? Call our subscription folks toll-free at (866) 271-4900 or write lowdown@pipeline.com. Send us fan mail or hate mail at: P.O. Box 20596, New York, NY 10011 or editors@hightowerlowdown.org. Printed with 100% union labor on 100% recycled paper.

hightowerlowdown.org

PERIODICALS CLASS Postage Paid at New York, NY

The Hightower Lowdown
 P.O. Box 20596
 New York, NY 10011

Moving? Missed an issue?
 Please call or write us at:
The Hightower Lowdown
 P.O. Box 20596
 New York, NY 10011
lowdown@pipeline.com
 Subscribers' toll-free
 number: (866) 271-4900

10:6 June2008

WHO ARE THE BIG-MONEY GIVERS BEHIND THE CANDIDATES?

4 Why cloning?
 The price of shrimp
 Goofy in Baghdad