

Bidding War for the 2008 Dem Candidates

by Anita Gallagher

The financial industry, dominated by the “financial locust” hedge funds, has launched an unprecedented “acquisition drive” to buy up the field of 2008 Democratic candidates for President.

Democratic Presidential front-runners Sen. Hillary Clinton and Sen. Barack Obama have raised \$26 million and \$25 million, respectively, for first quarter 2007, a full year ahead of the first primaries. In the first quarter of April 2003, the then-Democratic front-runners John Kerry raised \$7 million, and Howard Dean, \$2.6 million—less than 20% of the money of the current two leaders.

The financial sector is the biggest contributor to both, except for the intertwined legal industry, contributing \$1.2 million to Clinton, and \$1.12 to Obama, by conservative estimate. These take the form of “bundled” contributions from individual employees in 140-150 financial firms, who are organized by the firms’ leadership to contribute to selected candidates. These figures do not capture the substantial fundraising carried out by these big-buck powerhouses outside their firms, in social networks, or by family members.

Lyndon LaRouche has raised the question, “Who owns the candidate to be chosen?” in his paper which precedes this article. A case in point is LaRouche’s Spring 2005 warning that the American auto industry was going under, and his proposed “Emergency Recovery Act of 2006” for Federal credit to retool, and save, the industry’s unused capacity to produce infrastructure. Democratic Party leaders—including Senators Clinton, head of the Senate Caucus on Industry, and Obama—did absolutely nothing to stop the hedge-fund takeover of auto, listening instead to takeover specialist Felix Rohatyn, whose pedigree goes back to fascist financiers in World War II. Scores of auto plants closed, and 140,000 auto workers lost their jobs as a result. So, who is buying up the Democratic Party?

Hillary’s Top Contributors

There is no absolute distinction among hedge funds, investment firms, leveraged buy-out firms, and banks. Hedge funds drive the markets; they are believed to make most of the trades on the world’s major exchanges every day. The funds are now deploying a war chest to resist all demands to register, regulate, and tax their offshore profits.

The D.E. Shaw hedge fund, which shares a controlling interest in Take Two Interactive Software, the publisher of

the video “game” Grand Theft Auto, where a player shoots, burns, and decapitates policemen, gave \$5,600 to Hillary Clinton. In 2003, Grand Theft Auto player Devin Moore shot and killed three policemen in Alabama and stole their car, triggering a wrongful death lawsuit now pending there. LaRouche commented April 26, that if Clinton were to return this contribution, it would have an interesting effect on other candidates and leaders; it could even start a stampede.

Other hedge fund contributors to Clinton include: Avenue Capital Group, whose employees contributed \$30,000. Chelsea Clinton, the Senator’s daughter, has been hired by Avenue Capital. Other contributors include Farallon Capital Management, which bundled \$46,000 in individual contributions, and Blackstone Capital. Blackstone recently purchased the Peter Cooper apartments on New York City’s Lower East Side—the last, high-quality, rent-controlled housing complex in Manhattan—and plans an Initial Public Offering (IPO) to sell off the complex, with market-level rents. Other contributors include Fortress Capital (which employed Democratic candidate John Edwards, from October 2005 until December 2006, as a senior advisor); Perry Partners (Lisa Perry, wife of the Managing Partner, is a major Hillary fundraiser, whose contributions are not attributed to Perry Partners); Quadrangle, and Centerbridge Partners. Centerbridge is one of the predators now seeking to buy up, loot, and spit out Chrysler at a pittance of its value.

Wall Street banks and equity firms have also bundled major contributions to Clinton: Bear Stearns, \$53,000; Citigroup, \$64,000; Credit Suisse, \$24,500; Deutsche Bank, \$20,500; and Goldman Sachs, \$64,000. Goldman Sachs is number one in aggressive buy-outs of state infrastructure for Public Private Partnerships (PPPs), which are the antithesis of Franklin Roosevelt’s Federal credit creation for infrastructure building. Others include J.P. Morgan, \$41,000; Lazard, \$35,900; Lehman Brothers, \$41,650; Rothschild, \$17,700; Saban Capital, \$25,300, and others.

How Independent Is Barack Obama?

The following hedge funds contributed to Obama’s \$25 million: The Blackstone Group, \$42,000; Bain Capital, \$6,900; Centerbridge Partners, which was formed by ex-Blackstone employees, \$7,100; Fortress Investment Group, \$6,900; Grosvenor Capital Management, \$9,200; Soros Fund Management, \$6,200; Tiger Management, \$9,200; The Carlyle Group, which manages \$56 billion, and will launch its own hedge fund in May; and New York Capital Management, \$18,400; Ariel, \$47,000.

Investment firms and buy-out specialists also contributed to Obama: Goldman Sachs, \$120,000; Credit Suisse, \$44,200; Lazard (managed by auto bankruptcy fixer Felix Rohatyn for decades), \$12,700; UBS, the Zurich-based bank, \$141,000; Lehman Brothers, \$33,800; Merrill Lynch, \$30,000; Morgan Stanley, \$30,600; Chicago-based investment firm Henry Crown & Co., \$24,600, and many others.