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Parties and Elections

Elections hold the potential for citizens to shape public policy through support for candidates that share their policy preferences. But have elections delivered on their promise in the United States? To provide perspective on this question, it is useful to begin with a brief discussion of how the expansion of voting rights in most Western countries in the nineteenth and early twentieth centuries was hedged in by changes in the way elections were organized.

ELECTORAL RULES AS CONTAINMENT STRATEGIES

Although historical studies of voting and elections usually focus on the gradual acquisition of voting rights by the large percentage of people who previously were not allowed to vote, it is also the case that already established political parties and their well-to-do backers were at the same time creating containment strategies as “safeguards” that would limit the impact of expanded electorates on legislative bodies (Ahmed 2010, p. 1060). These safeguards primarily concerned the nature of the rules under which elections would be held. Would there be one representative elected from each of many specific geographical areas, as has been the case in most states in the United States for most of its history, or would there be several representatives from each geographical district, or even legislative representatives selected by the country as a whole?

The nature of the debate and its eventual outcome depended on many factors that varied from country to country. But they always included the extent to which the established parties felt they could work together to defend the status

quo, along with the degree to which they feared that political parties supported by the new voters might pose a major threat to economic elites (Ahmed 2013b). Generally speaking, leaders from the established parties, after much arguing within and between parties, decided on one representative for each geographical district if they thought that the new voters and their parties could be easily contained. In other countries, the powerful and their parties opted for a more radical containment strategy because they felt sure the new labor-based parties would win large majorities and change the socioeconomic system. Called “proportional representation,” this system abandons districts for nationwide elections in which each party receives representation in the legislature roughly in proportion to its overall percentage of the vote once a minimum threshold is reached.

In Belgium, Denmark, and Sweden, by way of striking examples, the established parties opted for a system of proportional representation because they saw it as the only possible way to limit the burgeoning leftist parties. These new labor and socialist parties generally opposed this change very vigorously because they, too, thought that they would win large majorities under the current rules. Ironically, the proportional representation system, which was instituted in all three countries despite the protests of the leftist parties, is now seen as a very fair and open system, and perhaps it is. But the fact remains that it was promulgated as a defensive measure to ensure that pro-business and conservative constituencies would have at least a strong minority representation in the legislature that could limit systemic changes. In that regard, proportional representation is the outcome of a power struggle, a containment strategy that very much succeeded.

ELECTORAL CONSTRAINTS AND VOTER SUPPRESSION IN AMERICA

The brief history of electoral containment in the previous section might seem to have little relevance to the United States. After all, the right to vote spread fairly quickly before and after the Constitution was passed. Sometimes states used the right to vote as a way to attract more settlers, and sometimes rival political parties were eager to enfranchise those portions of the underlying population that they thought would be sympathetic to them for religious, ethnic, or regional reasons. Still, the Constitution itself did include containment strategies, which the Founding Fathers thought were necessary to “filter popular influence,” such as the election of senators by state legislatures and the creation of the Electoral College to select the president (Piven 2006, p. 52).

Single-member districts seemed well established in the United States by the early nineteenth century, but the fact that the Constitution left it to the states to decide how they would elect members to the House of Representatives led to problems. By the 1830s, a few states were electing multiple representatives from a few large districts. Furthermore, 10 of the 26 states, mostly smaller states in

both the North and South, were using statewide elections to fill all their House seats in an attempt to send one-party delegations to Washington to maximize their impact. This strategy soon led to the realization that if just three or four of the largest states in the North adopted this approach, then one party could dominate the entire House. These problems were compounded by the formation of a Workingmen's Party in 61 cities by 1834, and then by the development of pro-worker factions within the Democratic Party in some states. Faced with the possibility of "mob rule," conservative members of both parties narrowly passed congressional legislation in 1842 that reaffirmed the need to elect just one representative from a specific district for each House seat allotted to a state (Ahmed 2013a, Chapter 4).

Conflicts over electoral rules then declined in the face of the increasing strife between the North and South in the 1840s and 1850s, and the ensuing Civil War. However, the same tensions returned in the 1870s due to the growth of the Greenback-Labor Party, an anticorporate farmer-labor alliance, which won 13 of the 293 seats in the House in 1878. There was even a small group of worried conservatives who thought that proportional representation might be necessary. However, the collapse of the Greenback-Labor Party because of mutual suspicions between its farmer and labor wings ended any discussion of changing the electoral rules (Ahmed 2013a, Chapter 4). Both parties decided they could contain any potential threats that might develop from African American voters in the South or from the fast-growing working class in the North by manipulating the boundaries of House districts ("gerrymandering") and by engaging in various types of voter suppression.

The impact of gerrymandering can be seen very clearly in the results of the redistricting based on the 2010 census, which changed outcomes in as many as twenty-five districts in the 2012 elections and helped Republicans win six seats in the House they might otherwise have lost. The full impact of gerrymandering for both parties can be seen in the finding that Republican candidates won 53 percent of the vote and 72 percent of the seats in states controlled by Republicans, while Democratic candidates won 56 percent of the vote and 71 percent of the seats in states controlled by Democrats. By way of contrast, in states in which the courts, an independent commission, or both parties reconfigured the districts, Democrats won a little over half the vote and 56 percent of the seats, whereas Republicans won 46 percent of the votes and 44 percent of the seats. Most districts shaped by Republicans included such a high percentage of likely Republican voters that their party may be able to control the House until the redistricting after the 2020 census. For example, voters in Pennsylvania cast 83,000 more votes overall for Democratic congressional candidates in 2012, but Republicans won thirteen of the state's eighteen House seats (Palmer and Cooper 2012).

As for voter suppression, Southern Democrats used poll taxes, literacy tests, and violence between the 1880s and 1965 to keep African Americans from voting, and in the process disenfranchised many low-income white voters as well

(Kousser 1974). Beginning in the 1970s, Republicans made frequent accusations of voter fraud, demanded proof of citizenship, mandated picture IDs, and arbitrarily purged voter rolls to suppress voting by low-income people from communities of color in the states they controlled, although state-level courts blocked some of these efforts shortly before the 2012 elections (Davidson, Dunlap, Kenny, and Wise 2004; Hasen 2012; Piven, Minnite, and Groarke 2009, Chapter 6). The result of these combined party efforts to suppress voting by some groups, which included several other stratagems besides those already mentioned, such as rejecting same-day voter registration and weekend voting, is a constricted electorate that is skewed toward white and higher-income citizens.

HOW GROWTH COALITIONS CHANGED ELECTORAL RULES

Lest any reader think that containment strategies have never been implemented in the United States, the manipulation of electoral rules can be seen very directly and dramatically at the local level in reaction to serious challenges. These challenges began in the 1880s when ethnically based political machines, usually affiliated with the Democratic Party and strongly dependent upon the votes of craft and industrial workers, came to dominate many city governments. In the early twentieth century, a further threat arose from the newly formed Socialist Party, which elected 1,200 members in 340 cities across the country in 1912, including 79 mayors in 24 different states (Weinstein 1967, pp. 93–118).

The local growth coalitions reacted to these challenges in 1894 by creating a national-level policy-planning organization, the National Municipal League, at a meeting that included 150 city developers, lawyers, political scientists, and urban planners from 21 cities in 13 states. The organization gradually developed a number of potential changes in electoral rules (called “reforms”) that added up to a containment strategy. These changes were presented as efforts to eliminate corruption, reduce costs, and improve efficiency, but each of them lowered voter turnout and thereby made it more difficult for Democrats and Socialists to win elections (Alford and Lee 1968). Three of the reforms were especially important:

1. *Off-year elections*. It was argued that local elections should not be held in the same year as national elections because city issues are different, which obscured the many policy connections between local and national levels;
2. *Nonpartisan elections*. It was claimed that parties should not play a role at the local level because the citizens of a community have common interests that should not be overshadowed by partisan politics. This reform made it necessary for candidates to increase their name recognition because voters could no longer rely on the labels “Democrat” or “Socialist” to identify the candidates with whom they sympathized.

3. *Citywide elections.* It was argued that districts do not have the same usefulness that they do at the congressional level because the problems facing members of a city council involve the city as a whole and not separate neighborhoods. The elimination of city electoral districts made it more difficult for neighborhood leaders, whether Democrats, Socialists, or ethnic and racial minorities, to hold their seats on city councils, because they did not have the money and name recognition to win citywide elections.

The National Municipal League's efforts did not produce many successes until it was able to take advantage of the fear and patriotism created during World War I, branding the Socialists as antiwar traitors. By 1919, it had been able to implement its ideas in 130 cities, and it continued to make gains in the next several decades (Schiesl 1977). By 1991, 75 percent of American cities had non-partisan elections and 59 percent used citywide elections. The successful resistance to the package of reforms came from large cities with strong Democratic Party organizations (Renner and DeSantis 1994).

Despite the partial failures in large cities, the larger goals of the growth coalitions' containment efforts were achieved. The direct connections between local and national government were now less obvious and the local branches of the two major parties were eliminated from local politics in half of all American cities, thereby reducing the usefulness of city councils as a training ground for liberal-labor candidates and making it harder to create a comprehensive liberal-labor program. By the 1940s, business owners, often legitimated for elected office by service on well-publicized committees of the local Chamber of Commerce, were the overwhelming presence on most city councils, which demonstrates once again that all segments of the ownership class have to be constantly involved in efforts to control government in a country in which citizens have the right to vote.

HOW ELECTIONS NONETHELESS MATTER

Despite the success of the various efforts to contain and suppress the voting power of average Americans, elections nonetheless made it possible for them to have some impact on government. At the least, elections allow citizens to determine which of the rival parties plays the lead role in government. In practice, this means that different occupational, religious, and ethnic groups become part of rival corporate-led coalitions that contend for office on a wide range of appeals. For example, white Protestants of all classes in all regions of the country are far more likely to vote for Republicans than either Catholics or Jews, although Catholics became more sympathetic to the Republicans after the 1960s (Manza 2012; Manza and Brooks 1999). In 2006, for example, 62 percent of white Protestants

voted Republican, compared to 49 percent of white Catholics and 12 percent of Jews. In 2012, 70 percent of white Protestants, 60 percent of white Catholics, and 29 percent of Jews (who are less than 2 percent of the electorate) voted for Romney (Edison Research 2012). Religion is a major factor in party preferences in many other countries as well (Nieuwbeerta, Brooks, and Manza 2006).

Then, too, elections provide the opportunity to register disapproval of government policies. This role was demonstrated when voters replaced the Republican Party, which had been dominant throughout the 1920s, with Democrats in the 1930, 1932, 1934, and 1936 elections in the face of the Great Depression, reducing the Republicans to a very small minority in Congress. Conversely, Republicans replaced Democrats in the White House and the Senate in 1980 at least in part due to the frustrating combination of high inflation and rising unemployment in the late 1970s.

The importance of elections in rejecting current policies was demonstrated again in 2008 when a majority of voters took a decisive turn to Senator Obama in late September after the financial turmoil made the perilous state of the economy by far the overriding issue in most people's minds. According to weekly polls, the change was especially pronounced among those whites most concerned about the state of the economy, 54 percent of whom came to favor Obama, compared to a mere 10 percent of whites not worried about the economy (Balz and Cohen 2008). Although the Obama campaign rallied many new voters to the polls, a study utilizing both voter turnout figures and a survey of voters in 2008 estimated that 23.6 percent of Bush supporters in 2004 either did not vote, or else voted for Obama or a third-party candidate, which was enough for Senator Obama to win the election without the new voters (Lupia 2010, Table 3).

Finally, elections matter as a way to introduce new policies in times of social upheaval caused by extreme domestic problems. In the nineteenth and early twentieth centuries, this role was often fulfilled by third parties that appeared suddenly on the scene, such as the new parties of the 1840s and 1850s that first advocated the abolition of slavery. Beginning in the second decade of the twentieth century, primary elections gradually became the main electoral arena for the introduction of new ideas.

Even after taking various containment strategies into account, however, elections have yielded far fewer successes for the liberal-labor alliance than might be expected on the basis of liberal-labor victories in most Western democracies. The reasons for this difference are explained in the remainder of this chapter.

WHY ONLY TWO MAJOR PARTIES?

In sharp contrast to countries that use proportional representation to elect their legislatures, in which there are always four or more substantial political parties, there have been only two major parties for most of American history. The lone

exceptions were a brief one-party era from about 1812 to 1824, after the Federalist Party collapsed, and a few years in the 1850s, when the conflict over extending slavery into Kansas and Missouri led to the breakup of the short-lived Whig Party. Due to the very rapid disintegration of the Whigs between 1852 and 1856, the Republican Party that developed in 1854, based on its uncompromising stance toward the extension of slavery westward, does not really qualify as a third party because it replaced the Whigs so quickly.

Why are there only two major parties despite the country's tumultuous history of racial, regional, religious, and class rivalries? Two fundamental features of American government lead to a two-party system. The first is the use of an electoral system that everyone takes for granted in the United States, namely, the selection of senators and representatives from states and districts in elections that require only a plurality of votes, not a majority. This system is called a "single-member-district plurality system," and it has led to two-party systems in most of the countries that use it (Lipset and Marks 2000; Rosenstone, Behr, and Lazarus 1996). The exceptions tend to be in countries in which a third party has some strength in a single region for ethnic or religious reasons.

The second reason for the American two-party system is a relatively unique one: The election of a president creates a very different dynamic from that of the parliamentary systems of government in Canada and most of Western Europe. The election of a president is in effect a strong version of the single-member-district plurality system, with the nation serving as the only district. By way of contrast, a parliamentary system, even when based in single-member districts, provides some room for third parties because a prime minister is selected by the parliament after the elections. As a result, there is less pressure toward the two pre-electoral coalitions that are called the Democratic and Republican parties in the United States. Thus, the enormous power of the presidency makes the tendency toward two parties even greater. Third parties are therefore far less likely to develop and much smaller than third parties in other countries with district/plurality elections.*

The simple fact that only one person can win the presidency or be elected to Congress from a given state or district leads to a two-party system by creating a series of "winner-take-all" elections. A vote for a third-party candidate of the right or left is in effect a vote for the voter's least-favored candidate on the other side of the political spectrum. Because a vote for a third-party candidate of the left or right is a vote for "your worst enemy," the usual strategy for those who want to avoid this fate is to form the largest possible pre-election coalition, even

* As shown dramatically in the 2000 elections, the president is selected by the Electoral College, within which each state has a number of electors equal to the size of its congressional delegation. The minimum number of electors a small state can have is three—two senators plus one House member. Electors cast their ballots for the candidate that wins in their state. The focus on electoral votes forces candidates to concentrate on winning a plurality in as many states as possible, not simply on winning the most votes in the nation overall. This system creates a further disadvantage for third parties.

if numerous policy preferences must be abandoned or compromised. The result is two coalitional parties.*

Third parties of the left or right therefore seldom last for more than one or two elections and rarely receive more than 1 to 2 percent of the vote when they do persist, but they can have dramatic impacts on the overall results. In 2000, Ralph Nader and the Green Party contributed to President Bush's victory by taking just enough votes from Democrat Albert Gore in New Hampshire and Florida to give their electoral votes—and the presidency—to Bush. It was the first time in history that a leftist party had any major influence on the outcome of a presidential election, which led to deep and lasting anger toward Nader and the Green Party on the part of liberals, feminists, environmentalists, and civil rights activists, and to the near-total exclusion of Nader from any liberal-labor forums for many years.

What is less known is that the tiny Libertarian Party to the right of the Republicans cost the Republicans a Senate seat in Nevada in 1998, a Senate seat in Washington in 2000, a Senate seat in South Dakota in 2002, a Senate seat in Montana in 2006, and the governorships of Oregon and Wisconsin in 2002 by winning far more votes than the margin by which the Republican candidates lost to their Democratic opponents (Miller 2002). It is also likely that Libertarian candidates made it possible for Democrats to win the governorship and retain a senatorial seat in Montana in 2012 by winning nearly 17,000 votes in a governor's race that was decided by a margin of just 8,300 votes and by winning nearly 30,000 votes in a senatorial race decided by 18,000 votes. In addition, another third party to the right of the Republicans, the Constitution Party, helped to defeat the incumbent Republican senator in Oregon in 2008 by winning 5.2 percent of the vote in an election that the Democrat won by 48.9 percent to 45.6 percent.

Although the American system of single-member congressional districts and presidential elections generates an enormous pull toward a two-party system, it was not designed with this fact in mind. The Founding Fathers purposely created a system of checks and balances that would keep power within bounds, especially the potential power of an aroused and organized majority of farmers and artisans. However, a party system was not among their plans. Parties are the result of the fact that the Founding Fathers decided that the country needed the office of the president to create some unity among the rival states and that it needed a Congress based in geographical elections so that every state was sure to have representation in Congress. In fact, the Founding Fathers disliked the idea

*This analysis is not contradicted by the 19 percent of the vote that H. Ross Perot received in 1992, running as the candidate of his Reform Party, because his party was positioned between the two major parties. As a centrist party, it drew votes from independents as well as partisans of both parties, and hence was not more threatening to one than the other. Perot's vote was also unusual because he spent \$72 million of his own money to promote his candidacy in 1992, which was the equivalent of \$118.8 million in 2012.

of parties, which they condemned as “factions” that are highly divisive. Parties are a major unintended consequence of their deliberations, and it was not until the 1830s and 1840s that a new generation of political leaders finally accommodated themselves to the idea that the two-party system was not disruptive of rule by the wealthy few (Hofstadter 1969).

Historically, a two-party system did not foster parties that articulate clear images and policies, in good part because rival candidates attempt to blur their differences in order to win the voters in the middle. It causes candidates to emphasize personal qualities rather than policy preferences. Moreover, there is evidence that a two-party system actually discourages voting because those in a minority of even 49 percent receive no representation for their efforts. Voting increases considerably in countries in which districts have been replaced by proportional representation (Lipset 1963).

For all these reasons, then, the American two-party system leads inadvertently to a very important opening for the corporate rich: There need not be a close relationship between politics and policy. Candidates can say one thing to be elected and then do another once in office, which of course gives people with money, access, and information an opportunity to shape legislation. However, none of this fully explains why the liberal-labor alliance has not been able to create a party of its own. The historic differences between the Northern and Southern economies, one based in free labor, the other in slavery and segregation, provides the explanation for this unusual situation.

REPUBLICANS AND DEMOCRATS

Two contrasting claims predominate in popular discussions of the Republican and Democratic parties. “There’s not a dime’s worth of difference between them” according to some Americans, which reflects the parties’ need to appeal to the centrist voters in a two-party system. “Republicans represent big business and the Democrats represent liberals, unions, and people of color” according to other Americans, a belief that derives in about equal amounts from the scare tactics used by ultraconservatives and the mythmaking by liberals about their party’s allegedly progressive past. In fact, neither of these common images is correct. There always have been differences between the two parties along regional, racial, religious, and class dimensions, and the Democratic Party did not even have a chance to be a liberal-labor party until after the 1960s.

Although there are many differences between the two parties, the most important point in terms of articulating a class-domination theory of power is that different segments within the ownership class controlled both parties for most of their history, as discussed further in Chapter 8. After the ratification of the Constitution in 1789 settled the major issues between the Northern and Southern segments of the ownership class, at least until the 1850s, it did not take long for political parties to develop. From the day in 1791 when wealthy Virginia

plantation owners made contact with landowners in upstate New York to create what was to become the first incarnation of the Democratic Party, the two parties represented different economic interests within the upper class. For the most part, the Democrats were originally the party of agrarian wealth, especially in the South, the Republicans the party of bankers, merchants, industrialists, and small farmers in the North (Domhoff 1990, Chapter 9).

As with all generalizations, this one needs some qualification. The Democratic-Republican Party, as it was first known, also found many of its adherents in the North among merchants and bankers of Irish origins, who disliked the English-origin leaders in the Federalist Party for historical reasons. Then, too, religious dissenters and Protestants of low-status denominations often favored the Democratic-Republicans over the “high church” Federalist Party. These kinds of differences persist down to the present. In terms of social status, the Federalist and Republican parties have been the party of the secure and established, the Democrats the party of those who were in the out-group on one dimension or another. The characterization of the Democratic Party as a coalition of out-groups even fits the wealthy slaveholders who dominated the party in its first 69 years because they were agrarians in an industrializing society, slaveholders in a land of free labor. Although they controlled the presidency in 32 of the first 36 years of the country’s existence by electing famous slave owners such as Thomas Jefferson, James Madison, and Andrew Jackson, the planters were on the defensive, and they knew it.

Following the Civil War, the Democratic Party became even more completely the instrument of the Southern segment of the ownership class because all wealthy white Southerners became its strong supporters to be sure that a coalition between populist small farmers and black sharecroppers could not develop within the confines of the two-party system. At this time they also gained new allies in the North with the arrival of millions of ethnic Catholic and Jewish immigrants, who were often treated badly and scorned by the Protestant Republican majority. When some of these new immigrants grew wealthy in the first half of the twentieth century, they became major financial backers of local Democratic machines, which soon worked closely with the “courthouse gangs” that predominated in the South. Working together, the Northern machines and Southern courthouse gangs became the core of the spending coalition that flourished during and after the Great Depression. The liberal-labor alliance that developed within the Democratic Party in the 1930s was no match for the well-established Southern rich and their wealthy urban ethnic allies, which already had secured the allegiance of their fellow Irish, Italian, and Eastern European Jewish immigrants (Shefter 1994; Webber 2000).

There is, of course, far more to the story of the Democratic Party. But enough has been said to explain why the liberal-labor alliance does not have a party of its own, as it does in most democratic countries. The electoral rules leading to a two-party system, in conjunction with control of the Democrats by wealthy Southern whites until the 1970s, left the liberal-labor alliance with no good options. It could

not form a third party without assuring the election of even more Republicans, who are its sworn enemies, but it was not able to win control of the Democratic Party.

The Spending Coalition

Based on analyses that search for issue-focused patterns of voting, political scientists identified a large cluster of legislators that were willing to support most government spending initiatives, which is best understood as a “spending coalition.” For the most part, the spending coalition consisted of a majority of Southern and non-Southern Democrats who were interested in providing subsidies and benefits for their main constituents, namely, planters, ranchers, and growers in the South, Southwest, and California, and urban real estate interests across the country (Clausen 1973; Sinclair 1982). The nature of their bargain was very explicit. A majority of the non-Southern Democrats supported agricultural subsidies and price supports that greatly benefited plantation owners and other agribusinesses. The Southerners in turn were willing to support government spending programs for roads, urban redevelopment, public housing, hospital construction, school lunches, and even public assistance. Although some of these spending programs are thought of as “liberal,” in fact many of them benefited the urban real estate interests that financed the urban Democratic political machines in the North and were used to the benefit of Southern Democrats as well. Then, too, the construction unions that are dependent upon urban growth for their livelihoods were highly supportive of these programs (Logan and Molotch 2007).

However, Southern support for the spending sought by urban Democrats, growth coalitions, and construction unions was conditional, based on the acceptance of three provisos. The spending programs would contain no attacks on segregation, they would be locally controlled so the Southerners could limit benefits for African Americans to programs for low-income people, and they would differentially benefit Southern states, even on such matters as hospital spending and urban renewal funds (Brown 1999, pp. 182–200). In other words, the spending coalition was premised on excluding African Americans from many of its policy benefits. This exclusionary alliance was one of the main reasons why African Americans took to the streets in large Northern cities between 1963 and 1967 to force government agencies staffed by traditional Democrats to change their rules and give them access to programs related to jobs, housing, and education (Quadagno 1994; Sugrue 2008).

The basic core in this spending coalition was the approximately 100 Democrats from the segregationist states and the 50 to 60 machine Democrats from major urban areas outside the South, which together controlled the House and Senate committees of concern to them through their seniority and their shared interest in government spending. However, after World War II this core coalition had to be augmented by some of the 100 liberal non-Southern Democrats who were supportive of government spending programs. For the most part, the liberal Democrats received nothing in return on two of their most important issues,

unions and civil rights. Instead, they had to settle for incremental improvements on economic and welfare issues crucial to the lives of average Americans, which they were often able to win when they could attract the support of machine and Southern Democrats. These victories included increases in the minimum wage, increases in old-age pensions, the addition of disability insurance to the Social Security Act, and increases in unemployment and welfare payments, food stamps, and rent subsidies.

The Conservative Coalition

Despite the mutual back-scratching that bound the Democrats on many issues, they differed among themselves on the issues of greatest concern to the corporate rich: union rights, the regulation of business, progressive taxation, and the limitation of civil rights for African Americans. These are precisely the issues that defined class conflict before 1965 because the limitation of civil rights was essential to planters for the coercive control of their low-wage African American workforce (Patterson 1967; Potter 1972). As a result, the Southern Democrats and Republicans formed a conservative coalition in 1938 that voted together on anywhere from 15 to 40 percent of the votes that were taken in any given two-year session of Congress and was generally successful, as shown by detailed studies of roll call votes (Shelley 1983). The coalition gradually became less important because of the growing number of Southern Republicans in Congress. As late as 1996, however, with conservative white Southern Democrats accounting for less than 30 votes in the House, the conservative coalition still formed on 11.7 percent of the congressional votes and was successful 98.9 percent of the time. The Southern Democratic votes were essential to 33 of 51 conservative victories in the House in that year, offsetting defections by the handful of moderate Republicans from the Northeast that were still in office (CQ 1996).

More generally, the conservative coalition was able to block, water down, or turn to its own advantage every initiative put forward by the liberal-labor alliance between 1939 and 2012 that was also opposed by a united corporate community. Two of the most prominent apparent exceptions, the Civil Rights Act of 1964 and the addition of Medicare to the Social Security Act in 1965, demonstrate this point. In the case of the Civil Rights Act, it was not opposed by the corporate community, which had been preparing for its enactment for several years (Delton 2009; Golland 2011, Chapter 2). It finally passed after the longest filibuster (defined as an indefinite extension of debate) in Senate history because the Republicans deserted their Southern allies, at least in part because of pressure from the corporate community (Whalen and Whalen 1985). As for Medicare, for which the liberal-labor alliance deserves much of the credit, it also had the tacit support of the American Hospital Association because its members were losing money through increasingly expensive treatments of growing numbers of low-income patients (Quadagno 2005). This issue is discussed in more detail in Chapter 7.

Thus, the fact that Democrats formally controlled Congress for most of the years between 1932 and 1994, when many present-day government practices and programs became deeply entrenched, is therefore largely irrelevant in terms of understanding the domination of government policy by the corporate rich. The important point is that a strong conservative majority was elected to Congress, some of whom were Republicans, some of whom were Democrats. They always voted together on the issues that related to class conflict, while at the same time limiting the inclusiveness and cost of social insurance programs for lower-income people.

Nor were the disagreements over unions and civil rights between Southern Democrats and machine Democrats as divisive for the party as they might at first appear to be. Machine Democrats, who were regularly returned to the House and thereby attained considerable seniority, backed the Southern Democrats on issues of party leadership and the retention of the seniority system. At the same time, they were able to maintain liberal voting records by supporting the tepid labor, civil rights, and social welfare legislation that did come up for a vote, thereby satisfying their labor and liberal constituencies. "By voting right," concluded a reporter who covered Congress for the *Wall Street Journal* in the 1960s, "they satisfied liberal opinion at home; by doing nothing effective, they satisfied their Southern allies in the House" (Miller 1970, p. 71). This reporter's observations are supported by a systematic quantitative study based on all committee roll call votes from 1970 to 1980 (Unekis 1993, pp. 96–97).

The control of both major political parties by members of the power elite reinforces the worst tendencies of a two-party system: avoidance of issues and an emphasis on the character and personality of the candidates. This is the main reason why the electoral system is best understood from a class-domination perspective as a "candidate-selection process." Its primary function is one of filling offices with the least possible attention to the policy aspects of politics, which provides openings for the policies developed within the special-interest and policy-planning networks.

However, this does not mean that rival candidates are without at least some personal policy preferences that they would like to see enacted. To the contrary, elected officials from both parties employ a variety of strategies so that they can vote their policy preferences, even when they are opposed by a majority of voters, and at the same time win reelection (Jacobs and Shapiro 2000). Nor does an emphasis on the influence of large economic interests in both parties deny that elections are fiercely competitive, not least because the rival candidates would very much like to win, a personal competitiveness that is heightened by the strong policy differences between the rival parties on some issues. Thus, there is a great deal of complexity and detailed maneuvering at the intersection between the power elite, political candidates, and ordinary citizens within the candidate-selection process. It is at this intersection that crafting the right strategies and using the most emotionally salient media images can matter. This is the province of the political consultants that advise candidates and try to assess the factors that will

lead to success in specific elections. Many of these consultants double as corporate lobbyists, as discussed later in the chapter.

PARTY PRIMARIES AS GOVERNMENT STRUCTURES

The inexorable two-party logic of the American electoral system led to another unique feature of American politics, the use of primary elections regulated by state governments to determine the parties' candidates. The system was first legislated in 1903 by reformers in Wisconsin, who were convinced there was no hope for third parties (Lovejoy 1941). About the same time, a system of white primaries was adopted in the segregationist Southern states as a way for rival white candidates to challenge each other within the Democratic Party without allowing African Americans to vote (Key 1949).

As primaries grew in frequency, they gradually became an accepted part of the overall electoral system due to pressures from liberal reformers. By the 1970s it reached a point at which the use of government-regulated primaries, when combined with long-standing governmental control of party registration, had transformed the two major parties into the official office-filling agencies of the government. From a legislative and legal point of view, the party primaries labeled *Republican* and *Democratic* can be seen as two different pathways legitimated by the government for obtaining its elected officials. Thus, government-sponsored primaries reinforce the point that American politics is a candidate-selection process.

Put another way, parties are not fully independent organizations that control membership and choose their own leaders, as they are in most other democratic countries and once were in the United States. Since anyone can register with the government to be a member of a party, party leaders cannot exclude people from membership based on political beliefs. Furthermore, people registered in the party can run in its primaries for any office, so party leaders and party conventions have very little influence on the policies advocated by its candidates. In effect, a party stands for what the successful candidates in primaries say it stands for. Party leaders can protest and donors can withhold crucial campaign funds, but the winners in the primaries, along with their many political consultants and fundraisers, are the party for all intents and purposes. This is a major difference from political parties in most other countries.

As a result of these changes, American voters gained the opportunity to decide which individuals from rival groups and classes would have the opportunity to compete in the general elections. Primaries force candidates to mingle with everyday people and pay attention to them. In the process, even incumbents are graphically reminded that they can be deposed if they are not attentive. The need for political candidates to interact with individuals from the general public puts limits on the degree to which money, advertising, and name recognition can shape the outcome of elections.

The use of primaries by insurgents also led to some surprising victories for them in the twentieth century. In 1934, in the midst of the Great Depression, the most famous leftist of his day, the prolific author Upton Sinclair, switched his party registration from Socialist to Democrat. He then announced that he would run for governor of California on a detailed program to End Poverty In California (EPIC), which featured a mixture of socialist and self-help ideas. He organized his supporters into EPIC clubs, thereby giving them an identity that distinguished them from other Democrats, with whom his leftist supporters did not want to be associated. He proceeded to win the primary with 51 percent of the vote in a field of seven candidates. After an extraordinary campaign in which the incumbent Republican governor promised to embrace many New Deal programs, Sinclair lost the general election with 37 percent of the vote. But the Democratic Party was forever changed in California because many young liberal and socialist activists ran for other offices as part of Sinclair's campaign, and later started a set of liberal California Democratic Clubs throughout the state that transformed the party (Carney 1958; Mitchell 1992).

In 1968, antiwar liberals entered Democratic presidential primaries to register their strong opposition to the Vietnam War and did so well that the incumbent president, Lyndon B. Johnson, chose not to run again (Rising 1997). A major civil rights leader from the 1960s to early 2000s, Jesse Jackson, ran solid presidential campaigns in the 1984 and 1988 primaries. In fact, he received more votes in the 1988 primaries than either future president Bill Clinton or future vice president Albert Gore, thereby establishing his credibility with white Democratic politicians that previously ignored him. However, the suspicions and tensions between him and the leftist activists who temporarily joined him were too great for them to build a lasting organization (Barker and Walters 1989; Celsi 1992).

And yet, it was ultraconservatives that made by far the most successful use of party primaries, taking their platform and strong separate social identities as "Young Americans for Freedom" into Republican primaries in 1964 to secure the presidential nomination for Senator Barry Goldwater of Arizona. Although Goldwater lost badly in the regular election, his "state's rights" platform (a code word signifying that the Republicans would not try to end segregation in Southern states) started the movement of the solid Democratic South into the Republican Party in response to the Civil Rights Act of 1964. His campaign also recruited a new cadre and steeled the determination of his followers to take over the party at the grassroots level over the next three decades.

THE BIG, NOT DETERMINATIVE, ROLE OF CAMPAIGN FINANCE

In an electoral system in which party differences often become blurred, and the emphasis on the character and image of each candidate looms large, the corporate rich can play an important role through large campaign contributions used to

raise name recognition and craft a winning image. The role of wealthy donors and fundraisers is especially crucial in determining which candidates enter primaries and do well. In particular, it is the need for a large amount of start-up money—to travel around a district or the country, to send out mass mailings, to schedule television ads in advance—that gives the corporate rich and their employees in lobbying and public relations a very direct role in the process right from the start. In a detailed study of campaign finance in the 1950s, well before primaries were as important as they came to be later, they were called a “choke point” in American politics (Heard 1960, p. 34).

With glaring exceptions that receive much publicity, big donors rarely try to tie specific strings to their donations. Nonetheless, they are able to make their views known to the candidates in a strong and direct way, and to work against candidates they do not consider sensible and approachable. At a more psychological level, their donations create a sense of obligation in the recipients because candidates experience them as a “gift.” In fact, there is evidence that people everywhere feel a sense of “debt” upon receiving a gift, which leads them to want to reciprocate to rid themselves of the burden (Gordon 2005; Mauss 1924/1969).

All that said, the candidate with the most money does not always win, and there is a long history of failed candidates that far outspent the winners, including many instances of major “self-funders” that lost in 2012 (OpenSecrets 2012c). Moreover, incumbents and those running in safe districts often have more money simply because big donors want to be on the side of sure winners, so the high correlation between having the most cash and winning can be deceptive. The important point is to have the necessary minimum to compete, which is why a few large donors can matter.

The failed history of campaign finance reforms over many decades shows just how important big donations are to candidates. The saga began in the 1970s when a coalition of liberals and corporate moderates seemed to be successful in limiting the impact of big donors by restricting the size of donations and creating a system of optional public financing for both primaries and regular elections at the presidential level. But the reforms did not diminish the influence of the corporate community because big donors became “bundlers,” who collected many hundreds of checks for candidates by organizing receptions, luncheons, and dinners at which their colleagues and friends gave a few thousand dollars each. Then the restrictions on the size of individual donations were circumvented in 1979 when the Federal Election Commission ruled that unrestricted donations to state parties for “party building” were permissible, although the money could not be used to support a particular candidate. This “soft money” for attack ads and get-out-the-vote efforts climbed to \$46 million for both parties combined in 1992, then jumped to \$150 million in 1996 and to over \$250 million in 2000 (the equivalent of \$335.8 million in 2012). Then another cycle of (failed) reforms began. Still, the “hard” money of regular donations remained much larger.

Corporate leaders also borrowed a page out of organized labor’s playbook by forming political action committees (PACs), thereby making it possible for their

stockholders and executives to give another several thousand dollars each year through a side door. Corporations could not give money to a PAC from their own funds, but they could pay for the costs of administering a PAC. Similarly, unions could only solicit funds from their members, but they could use their own monies to pay for administrative costs. In addition, trade associations and professional societies organized PACs. It became a full-time job to figure out the networks through which political money flows, as shown by the existence of nonpartisan Internet sites hosted by the Center for Responsive Politics (<http://www.opensecrets.org>) and the Campaign Finance Institute (<http://www.cfnst.org/>), which post and analyze government reports as well as information they develop based on a variety of other sources.

Although the corporate community and the growth coalitions are the largest donors to Democratic as well as Republican candidates, analyses of PAC donation patterns at the congressional level provide strong evidence that the differences between the corporate community and the liberal-labor alliance nonetheless manifest themselves in the electoral process. These studies show that corporate PACs usually support one set of candidates and liberal and labor PACs a different set. Not all corporate PACs give to the same candidates, but they seldom give to two different candidates in the same race (Neustadt, Scott, and Clawson 1991). These conclusions, based on sophisticated statistical analyses, were bolstered by interviews with PAC executives, which revealed there is a large amount of coordination among corporate PACs. Furthermore, candid interviews with corporate PAC managers by the same researchers revealed that they sometimes support Democrats for one or more of three atypical reasons: (1) because the Democrat is a moderate or conservative, usually from a rural area; (2) to maintain access to a Democrat who sits on a congressional committee important to the corporation; or (3) as a favor to another corporation that wants to maintain access to the Democrat (Clawson, Neustadt, and Weller 1998).

Moreover, there is systematic evidence from an exhaustive quantitative analysis of thousands of roll call votes in the House of Representatives between 1991 and 2006 that the corporate and trade association PACs have a larger influence than the union PACs. A comparison of the degree to which legislators voted the same way with the degree to which they received money from the same pro-business or pro-labor PACs, based on tens of thousands of statistical comparisons between pairs (“dyads”) of donors and recipients, showed that business PACs had a significant impact in every two-year session during that 16-year time span. However, labor PACs had an influence in only a few sessions; in addition, the business influence was greater than the labor influence in the few instances in which the labor PACs had any influence at all (Peoples 2007). The credibility of these findings is strengthened by a more general causal analysis of PAC effects during the same time period (Peoples 2010). It is further supported by a study of campaign donations and voting patterns in the Canadian House of Commons in the late 1990s, which revealed that neither business nor labor donations had any impact. This cross-national comparison demonstrated that the House of Representatives

is more susceptible to outside influences than its Canadian counterpart (Peoples and Gortari 2008).

Donations by business PACs continued to be large in 2012, with business giving \$329.7 million to candidates in both parties, 63 percent of which went to Republicans. Unions, by contrast, contributed less than one-fifth that amount, \$58.3 million, 90 percent of which went to Democrats. Even within the Democratic Party, business PACs contributed 2.3 times as much as labor PACs, \$122.6 million to \$52.4 million (OpenSecrets 2012d).

The escalation in corporate-related funding reached heights that would not have been believed possible early in 2010. A 5–4 majority of the Supreme Court ruled in *Citizens United v. Federal Elections Commission* to uphold a challenge to legal restrictions on donations from corporate funds for “independent expenditures” as a violation of the free-speech rights granted to all persons by the First Amendment. This decision was followed shortly thereafter by a Court of Appeals ruling that PACs that did not give to parties or candidates could collect as much money as they wished from corporations and unions. Based on these two rulings, a number of “super PACs” that could mount very large independent campaigns for or against candidates quickly developed. Further, the lawyers for super PACs soon figured out that they could create front groups to give unlimited and undisclosed donations to super PACs. They did so by incorporating purported “social welfare” organizations, which do not have to disclose their donors as long as they can plausibly claim that political issues are not their primary purpose. At this point the corporate rich could enter into the political arena with the full force of both their personal fortunes and their corporate treasuries, and they could do so anonymously.

The result was a large number of secretive money sources known as “501(c)(4)s,” which is the section in the federal tax code that allows for their existence. Through them, undisclosed contributions could be passed on to the super PACs without anyone knowing the source or extent of individual, corporate, or union donations. The new situation provided a stark contrast with past requirements for disclosure, which led to a detailed understanding of the wealthy financial backers of the two parties going back to the 1920s and 1930s (e.g., Alexander 1971; Overacker 1932; Webber 2000). Legally, the super PACs could not coordinate with party campaigns, but in practice there was usually close coordination, with former aides to the candidates managing the super PACs.

Large donations to the new 501(c)(4)/super PAC combinations led to a fourfold increase in spending by nonparty organizations between 2006 and 2010, from \$68.9 million to \$294.2 million. The Chamber of Commerce alone spent \$31.2 million in undisclosed funds to help Republican candidates in 2010, with much if not most of it coming from corporate leaders who believed that the chamber would never violate its promise to them (Public Citizen 2011, pp. 9–11). Some indication of what is going on is revealed by an inadvertent disclosure by Aetna Insurance, which accidentally reported to one government agency in 2011 that it had given \$4 million to the Chamber of Commerce for campaign donations

(Riley 2012). One of the newly minted pro-Republican 501(c)(4) social welfare organizations, the American Action Network, headed by a former senator from Minnesota and with the billionaire founder of Home Depot as the most prominent person on its board, provided 27 percent of the 501(c)(4) funds that supported Republicans, with \$3 million of that total coming from Aetna (Beckel 2012). With the Republican 501(c)(4) groups outspending those sympathetic to Democrats by \$78 million to \$16 million in 2010, a ratio of nearly 5 to 1, the Republican challengers had an overwhelming financial advantage, even adding in spending by traditional Democratic Party organizations.

This advantage may have contributed to the Democrats' loss of six seats in the Senate and 63 in the House, although the decline of turnout between 2008 and 2010 from 60 to 40 percent of the electorate was a big factor in the Democrats' loss.

Wealthy liberals initially refused to support secretive funding groups, based on their principled objections to both secrecy and unlimited donations. Republican donors therefore seemed likely to have a large edge in undisclosed funding once again in 2012. However, as the ultraconservative attack ads escalated, many liberals decided that their only hope for any reform in campaign finance would necessitate the election of more Democrats. The result was equally secretive groups on the Democratic side in 2012, such as Patriot Majority USA, which ran ads criticizing Romney for several of the business deals carried out by his private equity firm in the 1990s, and for keeping tens of millions of his estimated \$250 million in overseas tax havens; it also criticized specific ultraconservative billionaires for running self-serving ads against President Obama and other Democrats (Draper 2012). Democrats also created several other secretive super PACs, such as the Majority PAC and the House Majority PAC, to help out with Senate and House races. The three Democratic super PACs were mostly supported by wealthy liberals, but in the last two weeks of the campaign they were unexpectedly given \$9.7 million by several unions (Choma 2012). Although the pro-Democratic money machines did not come close to matching the funds provided by Republican super PAC supporters, they did help provide the necessary minimum to compete, especially for last-minute efforts to turn out Democratic voters.

Senate candidates supported by the pro-Democratic Majority PAC mostly won, as did a majority of those that received donations from the House Majority PAC. Planned Parenthood Votes, an independent super PAC, which provided partial disclosure of donors, spent \$1.1 million supporting Democrats and \$6 million opposing Republicans and was on the winning side in most instances. American Crossroads/Crossroads GPS, a super PAC and 501(c)(4) combination, spent \$195.2 on Republicans at the presidential and congressional levels and mostly lost. The Chamber of Commerce PAC spent \$36.2 million supporting Republicans in 48 House and Senate races, but was on the winning side only seven times (Lichtblau 2012; OpenSecrets 2012c).

As this brief overview of campaign finance indicates, it takes a very large minimum to be a viable candidate. However, as stressed at the beginning of this

section and as shown by the many losses for pro-business super PACs, money is only one part of the equation. “Money is a necessary condition for electoral success,” concluded one of the campaign finance experts at the Center for Responsive Politics. “But it’s not sufficient, and it’s never been” (Confessore and Bidgood 2012). The executive director of the Campaign Finance Institute described the 2012 elections as “an arms war fought to a standstill.” He added, “Unilateral disarmament is not an effective strategy when the other side shoots” (Campaign Finance Institute 2012). By 2012, candidates usually needed \$2 to \$3 million to compete for a House seat and \$9 to \$11 million to fuel a campaign for the Senate. And it takes much, much more to run for president, as shown in the next section.

THE OBAMA DONOR NETWORK: A CASE HISTORY

President Obama’s network of donors was similar to those of most other successful national-level candidates in that it built on wealthy contributors from the growth coalitions on up to the corporate community. The gradual development of the president’s campaign-finance network and its transformations along the way provide a case study in how such networks are constructed in a step-by-step fashion, which is all the more useful in this instance because he won a Senate seat from Illinois in 2004 and presidential elections in 2008 and 2012.

President Obama’s original donor network developed after he received his law degree from Harvard in 1992 and returned to the South Side of Chicago (where he had been a community organizer from 1985 to 1988) to take charge of a voter registration project in African American neighborhoods. This effort brought him into contact with middle-class African Americans and well-to-do white liberals, who would later become his political supporters. For example, Bettylu Saltzman, an heir to a large real estate fortune, was impressed with his political skills. She introduced him to as many wealthy donors as she could and sang his praises to a veteran campaign manager, David Axelrod, who ended up several years later managing his campaigns for the Senate and the presidency (Becker and Drew 2008). She told her political friends from the day she met Obama that he had the potential to be president, and many of them came to agree with her (Yearwood 2008).

At the same time, the future president strengthened his ties to black executives and financiers through his wife, who grew up on the South Side. As mentioned in Chapter 2, she left corporate law and took a job for a few years in city government, before going to work for the University of Chicago’s medical school as a liaison to the surrounding community. While employed by the city, she worked for another African American lawyer that had abandoned corporate law, Valerie Jarrett. With degrees from Stanford and Michigan, Jarrett also had many well-to-do friends throughout the Hyde Park neighborhood around the University of Chicago, because her father was among the first black professors in the medical school. Obama’s financial network soon included the founder of the

largest black-owned money management firm in the country, the chief executive officer of a commercial real estate development firm, black executives in major Chicago corporations, and not least, an African American vice president in the Pritzker Realty Company and the Parking Spot, two of the many companies owned by the Pritzker family briefly discussed in Chapter 3.

However, support from the Pritzkers and other large corporate owners was still in the future when Obama ran for the state senate from the Hyde Park area in 1996 with the help of donations from his African American business friends, a few wealthy white liberals such as Saltzman, and most importantly at the time, the developers who were in the process of gentrifying part of the area encompassed by his state senate district. As Obama explained to a reporter in the late 1990s, after he won the seat in the state senate, the developers, brokerage houses, and law firms supported political candidates that in turn helped them gain government contracts for urban renewal: "They do well, and you get a \$5 million to \$10 million war chest" (Lizza 2008, p. 58; Murray 2008). His own war chest was never that big, but developers were a key ingredient in his success.

Obama's financial network expanded after Democratic victories in 2000 made it possible for him to ask the Democratic leader in the state senate to redraw his district so that it included the wealthy Gold Coast district along Chicago's lakefront as well as Hyde Park and parts of the impoverished black neighborhoods to its south. At this point Saltzman took him to meet the Ladies Who Lunch, a group of 19 women executives and heiresses "who see themselves as talent scouts and angel investors for up-and-coming liberal candidates and activists" (Lizza 2008, p. 61). One of them, Christie Hefner, who ran Playboy Enterprises at the time, after inheriting it from her father, later said that "I was very proud to be able to introduce him during the Senate race to a lot of people who have turned out to be important and valuable to him, not just here but in New York and L.A." (Lizza 2008, p. 61). He also came to know members of the billionaire Crown family, discussed briefly in Chapter 3. In particular, he gained the confidence of James S. Crown, the president of the family holding and investment company, who sat on the boards of General Dynamics and JPMorgan Chase.

When Obama brought his group of African American friends together to surprise them with the news that he intended to run for the U.S. Senate in 2004, and that he was sure he could win if he could raise several million dollars, they agreed to back him as best they could. But they also knew that he would have to tap much deeper pockets as well. It was at this point that the black vice president of Pritzker Realty arranged for Obama and his wife to spend two days with Penny Pritzker and her husband, an eye surgeon, at the Pritzkers' weekend home 45 minutes east of Chicago. Although Pritzker told one of Obama's biographers that she and her husband had met the Obamas previously, the visit was in many ways an audition, during which she asked the candidate many questions about his general philosophy and campaign plans. By the end of the weekend, she had agreed to help raise money for him (Mendell 2007, p. 155). Pritzker, who ranked 135th on the 2007 *Forbes* list of the richest 400 in America, with an estimated net

worth of \$2.8 billion, gave the campaign immediate credibility in the Chicago business community, in part because she defined herself as a centrist who provided financial support to candidates in both parties.

Other Obama fundraisers reached out to the national level, starting with his friend Jarrett, whose cousin is married to one of the most prominent African Americans in the corporate community, Vernon Jordan. A former civil rights lawyer and president of the Urban League, Jordan later became a corporate lawyer and the chief White House counsel to President Bill Clinton. He was on the boards of five corporations at the time he was approached by the Obama campaign (American Express, Asbury Automotive Group, J. C. Penney, Sara Lee, and Xerox) and his wife, Ann Dibble Jordan, was on three: Automatic Data Processing, Citibank, and Johnson & Johnson. The result was a fundraiser in Washington at which Obama gained new financial backers and first met people that subsequently became members of his administration (Silverstein 2006). With the help of Pritzker, Saltzman, Crown, Jordan, and many other wealthy donors, the campaign raised over \$5 million, half of which came from just 300 people (Street 2008, p. 15).

The same network was in place as Senator Obama prepared to enter the presidential primaries in 2007. This time Pritzker was the national campaign finance chair. The senator also raised money on Wall Street through a friend from Harvard Law School who worked as an executive for Citibank from 1999 through 2008 after serving in the Treasury Department during the Clinton administration. In addition, Obama received large donations from wealthy donors in Los Angeles and Hollywood that he met through other mutual friends. By March 2008, his 79 top money raisers, five of them billionaires, had collected at least \$200,000 each (Mosk and MacGillis 2008).

As the campaign picked up steam late in the summer, the Obama forces set up a special party committee, the Committee for Change, so that donors that had given the maximum to the candidate (\$2,300) and to the Democratic National Committee (\$28,500) could provide money that would go directly to state-level parties in 18 battleground states. The new funds made it possible to pay for transportation, lodging, and meals for the large army of young get-out-the-vote activists that had been recruited through e-mail, Facebook, YouTube, and text messaging (Melber 2008). Individual checks for \$5,000 to \$66,000 poured in from the financial sector, lawyers, corporate leaders, and celebrities. Members of the Crown family, who already had raised \$500,000 and donated \$57,000 to the Obama Victory Fund, gave another \$74,000 to the Committee for Change (Mosk and Cohen 2008).

President Obama disappointed many liberals in 2008 when he decided to be the first presidential candidate in either party since 1976 to forgo public financing for his campaign, even though he had promised a year earlier to continue this reformist innovation if his opponent also agreed to do so. As a result, he outspent his Republican opponent by nearly three to one from September 1 to election day, and in the process “ran more negative ads than any presidential candidate in

modern history” (Lizza 2012, p. 39). He justified his decision to abandon public financing in part with the claim that his campaign had created a parallel public financing system of small donors (defined as people who give \$200 or less) via the Internet and door-to-door campaigning. Although he did raise approximately \$200 million in donations from these small donors and had more donors (3.1 million) than any previous campaign, his dependence on small donors turned out to be exaggerated. Subsequent close scrutiny of the final campaign finance reports showed that many of the seemingly small donors gave \$200 or more several times in the course of the campaign. Only 26 percent of his donations actually came from people who gave \$200 or less, which was about the same as the percentage of small donors for George W. Bush in 2004. Almost half of the money donated to Obama came from people who gave \$1,000 or more (Luo 2008b; Malbin 2008).

President Obama’s basic donor network remained largely intact in 2012, although there was turnover for a variety of reasons, including disappointments with the administration’s approach to some issues and the appointment of about one-third of his 556 bundlers for 2008 (or their spouses) to governmental positions and committees. Most striking, close to 80 percent of those that collected \$500,000 or more received high administrative positions (Public Citizen 2012; Schulte, Farrell, and Borden 2011). According to estimates by the Center for Responsive Politics, about 25 percent of his 2012 funding was raised by 758 bundlers, which is 202 more than he had in 2008. They were led by 178 lawyers that raised \$41.8 million, 90 members of the financial services industry (\$21.9 million), 41 in the entertainment industry (\$11.4 million), and 26 in the computer industry (\$6.6 million). Thirty-seven of his bundlers raised \$1 million or more, including Penny Pritzker (\$1.1 million) and James Crown (\$1 million), although they were not as active and visible as they were in his campaign in 2008 (OpenSecrets 2012a; OpenSecrets 2012b).

This time the president received 28 percent of his funds from small donors, around \$215 million, compared to 12 percent for Romney, by means of the same aggressive outreach program through social media and door-to-door campaigning that he used in 2008 (Campaign Finance Institute 2013). He also received support from the “education industry,” consisting mainly of universities, which gave \$19.5 million to him and only \$3.1 million to Romney because of the Republicans’ changing stance toward federal support for education and the skeptical comments some of them make about the value and validity of scientific research. For example, 85 percent of \$2 million contributed by employees of Harvard University went to Democrats, as did 76 percent of \$1.7 million from Stanford employees, 82 percent of \$721,600 from employees of the University of Texas, and 96 percent of \$599,000 from employees of the University of Chicago. (Between 1990 and 2012, professors, administrators, and staff at universities increased the percentage of their donations going to Democrats from 59 to 76 percent.) (OpenSecrets 2012c).

There was one major difference with the 2008 campaign: The president received far less support from Wall Street, which gave him \$14.5 million in 2008 with much of it coming after September 1, when his Republican opponent was

limited in his private fundraising efforts by his acceptance of public spending. In sharp contrast to 2008, the president received only 39 percent as much, \$5.5 million. Romney, on the other hand, with many connections to the financial community through his past membership in it as the owner of a private equity firm, raised \$18.3 million there. However, it was not simply past relationships with Romney that influenced many high-profile financiers' donation decisions. They already had expressed their public disapproval of the president for criticizing their role in events leading up to the 2008 meltdown and for supporting the financial reform legislation passed in 2010 against their strong objections (OpenSecrets 2012g).

When the dust finally settled, the president and the Democratic National Committee had raised \$835.7 million through traditional means with open disclosure and received about \$124.5 million in support from outside spending for a total of about \$1.1 billion. By contrast, the Republican campaign raised \$958.7 million through traditional open channels. Moreover, it had outside support of \$454.5 million from nondisclosing super PACs for a total of about \$1.4 billion, about \$300 million more than the Democratic total (OpenSecrets 2012a). More generally, the same gap between Democratic and Republican spending at the presidential level persisted when all political spending at the federal level is considered. The Democrats spent about \$2.1 billion and the Republicans about \$2.6 billion, a difference of \$500 million. To remain competitive, it seems that Democrats can't allow Republicans to outspend them by too much. By the same token, it appears that Republicans have to hold on to their financial advantage if they are going to win outside of their Southern, Great Plains, and Rocky Mountain strongholds.

Although President Obama's 2008 and 2012 campaigns demonstrated that large sums of money could be raised in small amounts, the fact remains that a relative handful of large donors in the Chicago growth coalition and the national corporate community were essential to his political career. He proved to be an excellent politician and he was able to attract many small donors and enthusiastic campaign workers, but he had to have wealthy backers, too: It is the combination that counts. As if to underscore this point, his decision to abandon public financing for his presidential campaign in 2008 put an end to the public financing of presidential campaigns as a feasible option for future candidates, and thus to the general reform thrust that began in the 1970s. He thereby reinforced his image among campaign advisors in both parties, based on decisions he made to advance his past campaigns, as a tough and ruthless politician (Lizza 2012, pp. 38–40).

OTHER CORPORATE SUPPORT FOR CANDIDATES

As important as large campaign donations are in the electoral process, there are also numerous other methods by which the corporate rich provide support to the politicians they favor. One of the most direct is to purchase property from them at a price well above the market value. Back in 1966, for example, just this kind

of favor was done for a future president, Ronald Reagan, shortly after he became governor of California. Twentieth-Century-Fox purchased several hundred acres of his land adjacent to its large outdoor set in Malibu for nearly \$2 million, triple its assessed market value and 30 times what he had paid for it in 1952. The land was never utilized and was later sold to the state government. It was this transaction (which netted \$14.3 million in 2012 dollars) that gave Reagan the financial security that made it possible for him to devote full time to his political career (Horrock 1976).

A very direct method of benefiting the many politicians who are lawyers is to hire them or their law firms as legal consultants or to provide them with routine legal business. Corporations can be especially helpful to lawyer-politicians when they are between offices. For example, the chairman of Pepsico retained former vice president and future president Richard M. Nixon as the company's lawyer in 1963, while Nixon was out of office. He thereafter paid for every trip Nixon made overseas in the next two years. This made it possible for Nixon to remain in the political limelight as a foreign-policy expert while he quietly began his campaign to become president in 1968 (Hoffman 1973, p. 106).

Members of the corporate rich help political candidates by hiring them to give highly paid speeches at corporate and trade association events. They also provide large donations to foundations, scholarship funds, and charities that elected officials set up in their home congressional district or state. They further help candidates in both parties by lending them corporate lobbyists to serve as political strategists, campaign managers, and fundraisers. The 2008 Republican presidential candidate, the multimillionaire senator from Arizona, John McCain, emphasized that he was an opponent of lobbyists and of the favors won by them. Still, his primary campaign was financed and managed by several of the most important lobbyists in Washington. His chief political strategist, who had worked in Republican presidential campaigns since the 1980s, had a client list that included AT&T, Alcoa, JPMorgan Chase, United Technologies, and US Airways. Similarly, Senator McCain's campaign manager was the co-founder of a lobbying firm that worked for Verizon and other telephone companies. His top fundraiser worked as a lobbyist for Saudi Arabia, Toyota, Southwest Airlines, and the pharmaceutical manufacturers' trade association. Seventeen of the 106 people that collected \$100,000 or more for the primary campaign were lobbyists (Luo and Wheaton 2008; Shear and Birnbaum 2008).

Elected officials also know from following the career trajectories of older colleagues that the corporate rich can reward them after their tenure in office if they are seen as reasonable and supportive. As of 2011, 373 former members of Congress were senior advisors or lobbyists for corporations, or worked for lobbying firms or public relations firms (OpenSecrets 2012e). To take a dramatic example, a Southern Democrat-turned-Republican from Louisiana was mainly responsible as chair of the key House committee for a provision in the amendments to Medicare in 2004 that prohibited the federal government from bargaining about the prices of the prescription drugs it purchases. When he retired the

next year, he was appointed president of the Pharmaceutical Research and Manufacturing Association, the industry's trade group. His initial salary was reported to be \$2 million a year; he received \$4.6 million in 2009 and \$11.6 million in his final year with the trade group in 2010 (Albert 2011). Former president Bill Clinton, who had little or no money before he became president, earned tens of millions of dollars from speeches to business associations and foreign governments after he left office. He also was included in investment opportunities by a few of his wealthy backers in exchange for opening doors for them. By 2012 he was worth an estimated \$200 million and Hillary was worth \$34 million.

THE LIBERAL-LABOR ALLIANCE IN ELECTORAL POLITICS

Although the liberal-labor alliance had very little independent influence at the presidential level by the early twenty-first century, it still played a huge role in electing the Democratic candidates that emerged from Democratic presidential primaries in key swing states that still had a significant union presence, such as Wisconsin, Illinois, Michigan, Ohio, and Pennsylvania. Fearing the antiunion and antiliberal stance of the Republican Party, the liberal-labor alliance ended up trying desperately to turn out voters for the centrists and moderate conservatives who had the money to compete in Democratic Party presidential primaries. It played a similar large role in helping Democrats in congressional campaigns in many states, including New York, California, and Massachusetts, as well as the Midwestern swing states.

This point was on display in the 2012 elections, thanks in part to the Supreme Court decision on *Citizens United v. Federal Elections Commission*, which opened two new avenues for unions. First, the decision permitted unions to give unlimited donations from their own funds to super PACs and to mingle those contributions with unlimited contributions from well-to-do professionals and rich liberals, as revealed by the \$9.7 million unions gave the three pro-Democratic super PACs just before the elections (Choma 2012). Second, and possibly even more important, it allowed unions to contact nonunion households personally and on the telephone. At this point, organized labor also established closer coordination with MoveOn.org, the NAACP, and Planned Parenthood, which led to very large get-out-the-vote efforts in Pennsylvania, Ohio, and Wisconsin. The liberal-labor alliance thus served as the foot soldiers for the Democrats, which is a useful metaphor because the alliance had little influence on the generals at the top of the party.

However, even though it only had a secondary role at the presidential level, the liberal-labor alliance always was able to elect a significant number of supporters to both the House and Senate between 1948 and 2012, even in times of Republican ascendancy. According to studies of congressional voting records by the liberal Americans for Democratic Action (ADA), the percentage of

Democratic representatives with liberal voting records grew steadily from the late 1990s to 2010. Using the organization's standard that voting liberal 80 percent of the time on liberal legislative proposals is what defines a "liberal," nearly half the members of the Democratic caucus in the House were liberals in 2007 and perhaps as many as 40 percent in the Senate (Riddiough and Card 2008). For 2010, the figures were at or near an all-time high for both houses, with 86 percent of 56 Senate Democrats and 77 percent of 253 House Democrats having liberal voting records (ADA 2010). The presence of such a large contingent of liberals in Congress during the brief interlude before control of the House returned to the Republicans in 2010 demonstrates the limits on the influence of the corporate rich in the electoral arena, despite their financial advantage and the many favors they can do for candidates.

THE RESULTS OF THE CANDIDATE SELECTION PROCESS

What kinds of elected officials emerge from a candidate selection process that narrows down to two political parties and puts great emphasis on campaign finance, personal image, and name recognition? The answer is available from numerous studies. First, politicians come from the top 10 to 15 percent of the occupational and income ladders, especially those who hold the highest elective offices. Only a small minority is from the upper class or corporate community, but in a majority of cases they share a business or legal background in common with members of the power elite. Between 1950 and 2010, the 10 percent of the workforce in business or law contributed 75 percent of the members of Congress, whereas less than 2 percent of the members of Congress were former blue-collar workers or union officials (Carnes 2012, p. 6). Nonetheless, politicians feel a need to stress the humble nature of their social backgrounds whenever it is possible.

The emphasis on modest origins and pedestrian work early in their lives begins at the top with presidential candidates, but most presidents since the country's founding were wealthy, or connected to wealth by the time they became president. George Washington was one of the richest men of his day, partly through inheritance, partly through marriage. Andrew Jackson, allegedly of humble circumstances because his father died before he was born, was raised in a well-to-do slave-holding family and became even wealthier as an adult. He "dealt in slaves, made hundreds of thousands of dollars, accumulated hundreds of thousands of valuable acres in land speculation, owned racehorses and racetracks, bought cotton gins, distilleries, and plantations, was a successful merchant, and married extremely well" (Pessen 1984, p. 81). Abraham Lincoln became a corporate lawyer for railroads and married into a wealthy Kentucky family.

Few presidents after 1900 were from outside the very wealthiest circles. Theodore Roosevelt, William H. Taft, Franklin D. Roosevelt, John F. Kennedy, George H. W. Bush, and George W. Bush are from upper-class backgrounds. Herbert Hoover, Jimmy Carter, and Ronald Reagan were millionaires before they

became deeply involved in national politics. Lyndon B. Johnson was a millionaire several times over through his wife's land dealings and his use of political leverage to gain control of a lucrative television license in Austin. Even Richard M. Nixon, whose father ran a small store, was a rich man when he was elected president in 1968, after earning high salaries as a corporate lawyer between 1963 and 1968.

Bill Clinton, elected president in 1992 and 1996, tried to give the impression he was from an impoverished background, claiming he was just a poor boy from the tiny town of Hope, Arkansas, born of a widowed mother. But Clinton was gone from Hope, where he lived in comfortable circumstances with his grandparents, who owned a small store, by the age of six. At that time his mother married Roger Clinton, whose family owned a car dealership in the nearby tourist town of Hot Springs. He grew up playing golf at the local country club and driving a Buick convertible. His mother sent him money throughout his years in college. Clinton was not wealthy or from the upper class, but he had a very solid middle-class upbringing and education that he artfully obscured.

The second general finding about elected officials is that a great many of them are lawyers. Between 50 and 60 percent of congressional members have been lawyers, and 28 of the 44 American presidents earned law degrees, including Democratic presidents Clinton (Yale Law School) and Obama (Harvard Law School) (Eulau and Sprague 1984; Miller 1995). The large percentage of lawyers in the American political system is highly atypical compared with other countries, where only 10 to 30 percent of legislators have a legal background. Comparing the United States with a deviant case at the other extreme, Denmark, where only 2 percent of legislators are lawyers, provides insight into this overrepresentation. The class-based nature of Danish politics since the late nineteenth century, along with the fact that political careers are not pathways to judicial appointments, are thought to discourage lawyer participation in that country. The Danish situation thus suggests that the marginalization of class issues by the two main American political parties, combined with the intimate involvement of the parties in the judicial system, creates a climate for strong lawyer involvement in the political system (Pederson 1972).

Whatever the reasons for their involvement in politics, which may vary from person to person and party to party, lawyers are the occupational grouping that by training and career needs are ideal go-betweens and compromisers. The lawyers who become politicians have developed the skills necessary to negotiate the complicated relationship between the corporate rich, who finance them, and average citizens, who vote for them. They are the supreme "pragmatists" in a nation that prides itself on a pragmatic and can-do ideology. Despite the public hyperbole and histrionics that many of them use to reassure their constituents that they are in touch with their sentiments, they generally have an ability to be dispassionate about "the issues" and they are usually respectful of the process by which things are done. They are also masters of timing, small gestures, and symbolism, which are essential skills in diffusing the tension that is inherent in politics because it is at bottom a contest for power between rival groups or classes.

Whether elected officials are from business or law, the third general result of the candidate-selection process is a large number of very ambitious people who are eager to “go along to get along.” To understand the behavior of politicians, one political scientist concluded after studying many political careers in the first half of the twentieth century, it is more useful to know what they aspire to be than how they made it to where they are at any given point in their careers (Schlesinger 1966). This conclusion was reinforced 30 years later by another close observer (Ehrenhalt 1991). Their great ambition, whether for wealth or higher office, leads politicians to become involved with people who can help them realize their goals. Such people are often members of the corporate community or upper class with money to contribute and connections to other districts, states, or regions in which striving candidates need new friends. Thus, even the most liberal or ultraconservative of politicians may develop a new circle of moderate supporters as they move from the local to the congressional to the presidential level, gradually becoming more and more involved with leading figures within the power elite.

The Chicago *Tribune* reporter assigned to follow Barack Obama’s political career on a daily basis from 2002 to 2008 was struck by his overwhelming ambition: “He is an extraordinarily ambitious, competitive man with persuasive charm and a career reach that seems to know no bounds; he is, in fact a man of raw ambition so powerful that even he is still coming to terms with its full force” (Mendell 2007, p. 7). Indeed, keeping his ambition under wraps and suppressing his “privately haughty manner” was his most difficult problem, a problem that was remarked about frequently in the media during the 2012 presidential campaign because he had alienated some of his 2008 financial supporters (Mendell 2007, pp. 353–354). Ambition aside, President Obama also fit the general pattern because he moderated his liberal positions on many issues when he ran for the Senate in 2004 and then for the presidency in 2008. Some of the liberal activists in Hyde Park who helped him win his first campaign resigned themselves to the fact that he took more moderate positions when he started to raise money in wealthy financial circles, but others became disillusioned and no longer supported him (Becker and Drew 2008; Lizza 2008).

The fourth generalization about most successful political candidates is that they try to straddle the fence or remain silent on the highly emotional social issues. Basically, very few candidates can win if they challenge the limits that have been set by the actions and media advertising sponsored by ultraconservatives on one or another social issue. As long as a majority of people say they believe in the death penalty or oppose gun control, for example, it is unlikely that anyone who openly opposed those positions could be elected to any office except in a few liberal districts and cities. Here, then, is an instance in which public opinion has a direct effect on the behavior of candidates and elected officials.

The fifth general finding, alluded to earlier in the chapter, is that the majority of elected officials at the national level have been pro-business moderates and conservatives. For most of the twentieth century, as explained earlier in the chapter, this conservative majority consisted of Republicans and Southern Democrats.

Starting in the 1960s, and accelerating in the 1980s and early 1990s, Republicans replaced Southern Democrats in both the House and the Senate, which contributed heavily to the Republican takeover of Congress in 1994. It also contributed to the image that American politics became more “polarized” than it had been in the past, but much of this seemingly new polarization consists of the replacement of liberal and moderate Republicans in the Northeast with liberal and moderate Democrats and of ultraconservative Democrats in the South and Great Plains with Republicans that are even more conservative on most issues.

By 2000, most strong conservatives were part of the Republican Party, and the two parties had become very different on a wide range of issues. The only wealthy people that remained in the Democratic Party were those who depended on the spending coalition for their wherewithal, or felt offended or threatened by ultraconservative Republican positions on gay rights, religion, immigration, or abortion, or feminist issues more generally. With the exception of union issues, these rich Democrats were willing to make common cause with the other “out-groups” that differentially favor the Democrats—people of color, single women of all colors and ages, members of the LGBT community, low-income whites, and white middle-class liberals.

BUT THERE'S STILL UNCERTAINTY

Although most elected officials at the national level have been supported by and feel sympathetic toward the corporate rich, there is always the possibility that some of them may be inclined at some point to side with the liberal-labor alliance on specific issues. This possibility once again shows, as emphasized at the end of Chapters 2 and 4, that there is too much uncertainty and volatility in the workings of government for the corporate rich to leave anything to chance. They therefore have to be able to influence government policy. They do not want to risk the possibility that the liberal-labor minority in Congress might be able to create coalitions with moderates that could defeat them on key issues, especially in times of crisis.