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Chamber of Commerce vows to punish anti-business candidates

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WASHINGTON — Alarmed at the increasingly populist tone of the 2008 political campaign, the president of the U.S. Chamber of Commerce is set to issue a fiery promise to spend millions of dollars to defeat candidates deemed to be anti-business.

"We plan to build a grass-roots business organization so strong that when it bites you in the butt, you bleed," chamber President Tom Donohue said.

The warning from the nation's largest trade association came against a background of mounting popular concern over the condition of the economy. A weak record of job creation, the sub-prime mortgage crisis, declining home values and other problems have all helped make the economy a major campaign issue.

Presidential candidates in particular have responded to the public concern. Former Sen. John Edwards of North Carolina has been the bluntest populist voice, but other front-running Democrats, including Sen. Hillary Rodham Clinton of New York and Sen. Barack Obama of Illinois, have also called for change on behalf of middle-class voters.

On the Republican side, former Arkansas Gov. Mike Huckabee -- emerging as an unexpected front-runner after winning the Iowa caucuses -- has used populist themes in his effort to woo independent voters, blasting bonus pay for corporate chief executives and the effect of unfettered globalization on workers.

Reacting to what it sees as a potentially hostile political climate, Donohue said, the chamber will seek to punish candidates who target business interests with their rhetoric or policy proposals, including congressional and state-level candidates.

Although Donohue shied away from precise figures, he indicated that his organization would spend in excess of the approximately \$60 million it spent in the last presidential cycle. That approaches the spending levels planned by the largest labor unions.

The chamber president is scheduled to announce the broad outlines of the organization's plans for the 2008 election and beyond at a news conference here today. Donohue also plans to fire a rhetorical warning shot across the bow of candidates considered unfriendly to business.

"I'm concerned about anti-corporate and populist rhetoric from candidates for the presidency, members of Congress and the media," he said. "It suggests to us that we have to demonstrate who it is in this society that creates jobs, wealth and benefits -- and who it is that eats them."

In advance of today's news conference, Donohue told The Times of his plans to be active in 140 congressional districts this year, as well as the presidential contest.

At the state level, Donohue said his organization would be active in nearly four dozen contests for attorney general and state supreme courts. Both state courts and attorneys general are involved in decisions affecting business, including consumer protection and a wide range of litigation.

The chamber has become a significant force in state and national politics under Donohue's decade of leadership. Once a notably bipartisan trade association with a limited budget and limited influence, it has hugely increased its political fundraising and developed new ways to spend money on behalf of pro-business candidates.

Under Donohue, the organization has also frequently aligned itself with GOP priorities.

Since he took over the chamber, contributions by businesses have soared, often to pay for political advertising known as "issue ads," which are exempt from many of the Federal Election Commission limits.

Under a system Donohue pioneered, corporations contribute money to the chamber, which then finances attack ads targeting individual candidates without revealing the name of the businesses involved in the ads.

In 2000, drug companies paid the chamber to run advertisements in Michigan to help elect then-Republican Sen. Spencer Abraham. Pharmaceutical companies that year gave the chamber additional millions to run issue ads attacking mostly Democratic House candidates. And large corporations paid \$1 million or more to support advertising campaigns against judges deemed too friendly to plaintiffs.

There has been pressure from lawsuits and government activist groups to require the chamber to reveal the source of its political funds and more details on its spending.

Donohue is not inclined to do so.

"I will disclose any funds I am legally required to disclose -- and not disclose any others," Donohue said. "We are exercising our constitutional right to petition the government and we will continue to do so."

In 2004, the chamber also helped defeat Senate Democratic Leader Tom Daschle, flooding his home state of South Dakota with money, ads and more than 50 on-the-ground organizers.

This year that kind of ground tactic is going to be more prevalent, Donohue said, noting that the chamber plans to make use of its ability to communicate freely with its 3 million member companies located in every congressional district.

In the interview Monday, Donohue said he was unhappy with anti-corporate rhetoric coming from candidates in both parties and he wanted candidates to know about the chamber's ambitious plans.

Donohue is not likely to name names at his news conference, but there is no doubt he is unhappy about Huckabee.

The concerns Donohue expresses reveal apprehension that Republican pro-business candidates may lose favor with voters and that the GOP's important but fragile alliance between economic and social conservatives is showing signs of strain.

Even more than Republicans, Democratic candidates have boosted the volume of populist messages as the economy softens. Edwards, whose trial lawyer past has been openly criticized by Donohue for years, launched new advertisements that warn against the danger of replacing "corporate Republicans with corporate Democrats."

The middle class, Edwards says in the new ad, is "losing ground while CEOs pocket million-dollar bonuses and corporate lobbyists get their way in Washington."

Donohue, in effect the nation's leading business advocate, kicked back hard at some of the leading Democratic proposals on taxes, labor law and the courts.

If that agenda succeeds, he said, Democrats "will be gone from power for at least 40 years," though he acknowledged that the political rhetoric might moderate after the primary season.

"People on the other side have been very strong in the way they play in legislation and elections. We intend to do the same," he said.