Clinton Stalls on Goldman Sachs Speeches

Exclusive: Hillary Clinton has judged that she can wait out public calls for her to release the transcripts of speeches to Goldman Sachs, which earned her $675,000 in 2013, since she expects to soon wrap up the Democratic presidential nomination, as Chelsea Gilmour describes.

By Chelsea Gilmour

One of Bernie Sander's standard attack lines against Hillary Clinton has been to call attention to the hundreds of thousands of dollars in paid-speaking fees and donations that Clinton has received from Wall Street during her career, including $675,000 for three paid speeches to Goldman Sachs (at $225,000 a pop) after she left the State Department in 2013.

Sanders has even taken to keeping track of how long it's been since Clinton vowed to release the transcripts but hasn't. Clinton now claims that she is being held to a different standard than other candidates and will release the speech transcripts only when others do the same, "if everybody does it, and that includes Republicans."

Sanders has responded by noting that he has given no paid speeches to Wall Street banks and thus has no such transcripts to release. So, Clinton's campaign continues to scramble, trying to shield her from the impression that she is too cozy with Wall Street while expecting that she will soon lock up the Democratic presidential nomination and make Sanders's criticism moot.

The backlash Clinton has received over the three Goldman Sachs speeches and her ties to Wall Street has, however, forced Clinton to confront an issue which has dogged her campaign from the outset: Namely, that she is an Establishment candidate with close personal and political ties to Wall Street and Big Business, which compromises her objectivity and accountability as a candidate "for the people," rather than for the corporations.

During a debate in New Hampshire, Clinton claimed Sanders' innuendo amounted to a "very artful smear." Clinton's press secretary Brian Fallon called it "character assassination by insinuation," by implying that Clinton would not be tough on Wall Street because she has financially benefited from them in the past.

So far, Clinton has responded to these criticisms rather unconvincingly. Under intense pressure to release the transcripts of the Goldman Sachs speeches, she has said she would "look into it," though the Wall Street Journal has reported that Mrs. Clinton has the sole right to distribute the transcripts, with Politico asserting, "One thing that is clear is that Clinton could release the Goldman transcripts unilaterally if she chose to do so."

Political Damage

The real danger in releasing the transcripts is the potential political fodder it would provide Clinton's opponents, who might seek to use the transcripts as proof that Clinton is in the pocket of, not only Goldman Sachs, but Wall Street as a whole.

But the negative insinuations are already there, as Politico related in the story of an unnamed source who attended one of Clinton's Goldman Sachs speeches in Arizona. The source related the tone and content of Clinton's speech that day as a "rah-rah speech," where Clinton came off sounding more like a "Goldman Sachs managing director."

Politico reported, "'It was pretty glowing about us,'" one person who watched the event said. "'It's so far from what she sounds like as a candidate now.'"

The Wall Street Journal summarized the speeches as such: "She didn't often talk about the financial crisis, but when she did, she almost always struck an amicable tone, according to these people.

"In some cases, she thanked the audience for what they had done for the country, the people said. One attendee said the warmth with which Mrs. Clinton greeted guests bordered on 'gushy.' …

"She spoke sympathetically about the financial industry, according to an attendee. Asked about the poisoned national mood toward Wall Street, Mrs. Clinton didn't single out bankers or any other group for causing the 2008 financial crisis."

So far, Clinton seems to have judged that the damage from continuing to hide the transcripts is preferable to the backlash she might experience if she released them.

According to Politico, "The person who saw Clinton's Arizona remarks to Goldman said they thought there was no chance the campaign would ever release them.

"It would bury her against Sanders," this person said. "It really makes her look like an ally of the firm."

In that case, releasing the transcripts could serve a severe blow to her campaign. Sanders' campaign would waste no time capitalizing on the opportunity to call-out Clinton as a friend of Wall Street.

Republicans candidates could jump on the attack-train, too, although this would be a bit like the Right holding up a mirror to itself, since every Republican candidate except Trump has been the beneficiary of Wall Street's financial "generosity." (And Trump is arguable. Although he may not receive direct donations from Big Banks & Business, he is certainly an "Established" member of that social circle, so there are questions to be raised of political influence.)

Whose Side Are You On?

Regardless, as it becomes clear that this campaign is breaking down to "Establishment" vs. "Anti-Establishment" candidates, Clinton's ties to her Wall Street and Beltway-Insider past are harming her ability to cultivate broad support amongst a population of voters resentful of Wall Street's insidious influence over Washington.

So what is Clinton saying about all this? Not much. And what she has said has not diminished suspicions that she would be soft on Wall Street, if elected.

Besides vague promises to "look into releasing" her speech transcripts, Clinton has defended her acceptance of the speaking fees in even vaguer terms. Anderson Cooper pressed her at a town hall meeting in New Hampshire, asking, "But did you have to be paid $675,000 [for three speeches to Goldman Sachs]?" Clinton responded to hearty laughter from the crowd, "Well, I don't know. That's what they offered."

She continued, saying she didn't feel the fees represent a conflict of interest since she came back to run for public office, because she had not yet committed to running. She said further, "Anybody who knows me, who thinks that they can influence me, name anything they've influenced me on, just name one thing. I'm out here every day saying, I'm gonna shut them down, I'm going after them, I'm going to jail them if they should be jailed, I'm going to break them up. I mean, they're not giving me very much money now, I can tell you that much. Fine with me. I'm proud to have 90 percent of my donations from small donors and 60 percent, the highest ever, from women, which I'm really, really proud of."

Cooper pushed, "So, just to be clear, that's not something you regret, those three speeches?"

"No, I don't, because I don't feel that I paid any price for it and I'm very clear about what I will do and they're on notice," Clinton asserted.

Clinton has pushed back in other ways, too. For instance, during a New Hampshire debate, Clinton called out what she saw as hypocrisy from Sanders's campaign: "Senator Sanders took about $200,000 from Wall Street firms. Not directly, but through the Democratic Senatorial Campaign Committee. There was nothing wrong with that. It hasn't changed his view! Well, it didn't change my view or my vote either!"

A Flip-Flop

But not everyone is buying it. In an often-cited incident, Sen. Elizabeth Warren, D-Massachusetts, described in 2004 how Hillary Clinton flip-flopped on a credit-card company-sponsored bankruptcy bill under pressure as a New York Senator.

According to Warren, in the late-1990s, then-President Bill Clinton was pursuing signing into law a bankruptcy bill which had been presented to Congress and written by the credit card companies. President Clinton was eager to sign the bill, in order to further promote his free-trade, neoliberal economic policies.

However, after a meeting between Warren and then-First Lady Hillary Clinton, in which Warren explained how the bill would have disproportionately hurt single mothers, Hillary vowed, "Professor Warren, we've got to stop that awful bill." Indeed, Hillary returned to the White House and convinced the President to veto the bill as one of his last acts in office.

But then, once Hillary became Senator for New York, the bill was reintroduced to Congress and she voted in favor of it. Warren explains, "As Senator Clinton, the pressures are very different. It's a well-financed industry. A lot of people don't realize that the industry that gave the most money to Washington over the past few years was not the oil industry, was not pharmaceuticals, it was consumer credit products. Those are the people, the credit card companies, [who] have been giving money and they have influence. … [Hillary Clinton] has taken money from the groups and more to the point, she worries about them as a constituency."

And what about her claim that 90 percent of her donations come from small donors? According to 24/7 Wall Street, which conducted an investigation into each candidate's net worth, "While 69% of Sanders' campaign contributions have come from small individual donations, … only 17% of Clinton's contributions have come from small individual donations."

Another interesting development from this hubbub about Clinton's ties to Wall Street has to do with whom Clinton would appoint as Treasury Secretary, if elected. Sanders's reference during the Jan. 17 debate to the two Goldman Sachs executives who became Treasury Secretaries may have spurred Clinton to address the issue.

At that debate Sanders said, "Goldman Sachs, paying a five billion dollar fine, gives this country in recent history a Republican Secretary of Treasury, a

Democratic Secretary of Treasury."

Sanders's comment referenced the appointment of Robert Rubin, former Goldman Sachs executive, to the position of Treasury Secretary by Bill Clinton after Rubin opened doors to Wall Street donors during Clinton's first Presidential bid.

Rubin was instrumental in crafting "an economic policy – known as Rubinomics – that was applauded by Wall Street but viewed critically by many on the left. When then-first lady Hillary Clinton decided to run for the Senate in New York in 2000, she turned to Rubin and Altman to introduce her to key players on Wall Street," reported the Washington Post.

Who to Name?

Hillary Clinton addressed the Treasury Secretary issue on "Meet the Press," saying, "You have to have a Treasury Secretary who understands the economy … I think there are a lot more places where one can and should look for such a Treasury Secretary."

If Clinton were to make a clear promise not to appoint someone from Wall Street as Treasury Secretary, she could quell some voters' fears. But to be sure, this was not such a promise. The Treasury Secretary issue may also have been identified by the Clinton campaign as an opportunity to strike back at Sanders for what Clinton perceives as his political naivety.

Bloomberg News reported, "On the show, Clinton said Sanders has been less aggressive than she in pursuing abuses in the financial industry, adding that her rival's critique of the banking system and its role in the economy is simplistic."

But there is another issue regarding paid speeches that has yet to be fully addressed by the media, which may prove to be a further thorn in Hillary's side. That is the question of Bill Clinton and the "two-for-one" aspect of the Clinton's political machine.

An article by the Wall Street Journal relates how Hillary Clinton, while Secretary of State in 2009, helped Swiss bank USB with its IRS woes. "Total donations by UBS to the Clinton Foundation grew from less than $60,000 through 2008 to a cumulative total of about $600,000 by the end of 2014, according to the foundation and the bank.

"The bank also joined the Clinton Foundation to launch entrepreneurship and inner-city loan programs, through which it lent $32 million. And it paid former president Bill Clinton $1.5 million to participate in a series of question-andanswer sessions with UBS Wealth Management Chief Executive Bob McCann, making UBS his biggest single corporate source of speech income disclosed since he left the White House."

While this still does not prove a direct link between favors by Hillary and payments received, it further blurs the line of where the Clintons' political activities stop and their personal ventures start.

Earlier in the campaign, I wrote an article analyzing the sum of Hillary's paid speeches during the 14-month interim between Clinton leaving the State Department and before announcing her candidacy for President. That interim spanned January 2014 through March 2015, and resulted in Hillary making 53 paid speeches to the tune of $11.8 million dollars in fees, all while it was widely believed that Clinton would run again for President in 2016. That analysis, however, did not include the $675,000 from Goldman Sachs, as those speeches were delivered in 2013, meaning they occurred before the time period for which she was obligated to publicly disclose her income.

Bill Clinton's Speeches

Further investigation of Hillary Clinton's financial disclosure form shows at least 16 speeches made by Bill Clinton to banks or other financial service industry companies during that 14-month period.

Besides three speeches to USB Wealth Management totaling $675,000 (the same amount Hillary received for her Goldman speeches, by the way), Bill also gave paid speeches to: Bank of America ($500,000), SCIP Capital Management ($250,000), Deutsche Bank AG ($270,000 + *$280,000 to Hillary for her October 7, 2014 speech*), Veritas Capital Fund Management ($250,000), Apollo Management Holdings ($250,000), Texas-China Business Council ($265,000), Affiliated Managers Group ($225,000), Experian ($225,000), Insurance Accounting and Systems Association ($225,000), Centerview Partners ($225,000), Jefferies ($225,000), Citadel ($250,000), and Thomas Lloyd Global Assets Management (Schweiz) ($200,000 via satellite).

That means that Bill Clinton was paid $4,035,000 by the financial sector for 16 appearances over the course of 14 months. Keep in mind, those 14 months represent the interregnum between when Hillary Clinton left State Department and before she officially announced her candidacy (but it was widely speculated she would run).

Regardless of whether Hillary believes (or will admit) that her fees from the financial industry have influenced her polices or not, the fact that campaign finance law requires her to disclose her spouse's income should be a guiding indication of what the rest of us already know: that payments made to one's spouse or close family members can equally represent a conflict of interest, just as if the candidate had been paid directly.

An incisive article by Walter Russell Mead explains how the Clintons have worked this system to build the first "postmodern political machine."

"The Clintons stand where money, influence, and celebrity form a nexus. When Hillary Clinton was running the State Department and Bill Clinton was shaking down contributors to the Foundation, the donors knew, or thought they knew, what they were getting. Now that Hillary is running for President, the donors have an even better idea of what good things might come to them — or what problems and complications could develop if they cut the Clintons off."

Mead calls it "honest graft," quoting Tammany Hall's George Washington Plunkett. "The cash comes from donations and speaking fees. When the husband of the Secretary of State or potential next President calls about a special charity project, most people, even if they happen to be CEOs of major companies or senior government officials, take the call. More than that, there will be times when government and corporate officials will reach out and make the call themselves, rather than waiting passively to hear that the Clinton machine has an ask. The donor proposition is rock solid. … What donors buy, or think they are buying, is influence and face time with two of the most powerful people in the world and their political machine[.]"

One parting thought: Goldman Sachs CEO Lloyd Blankfein, from the same Goldman Sachs who paid Hillary $675,000 for three speeches and produced Bill Clinton's Treasury Secretary, has said Bernie Sanders' critique of Wall Street "has the potential to be a dangerous moment, not just for Wall Street, not just for the people who are particularly targeted, but for anybody who is a little bit out of line."

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Pity the Poor Billionaires

Billionaires, who are in the process of buying elections across the United States, want to carry out these "investments" in secret. They bristle at demands for disclosure and say listing their names and business interests may open them to public criticism, Bill Moyers and Michael Winship report.

By Bill Moyers and Michael Winship

We had the perfect headline all picked out for this piece but our colleague Paul Waldman at *The American Prospect* magazine beat us to the punch: “It’s Hard Out There for a Billionaire.”

You see, according to the website *Politico.com*, the so-called “mega-donors,” unleashed by *Citizens United*and pouring boundless big bucks into this year’s political campaigns, are upset that their massive contributions are being exposed to public view, ignoring the right of every one of us to know who is giving money to candidates — and the opportunity to try to figure out why.

“Quit picking on us” is part of *Politico*’s headline. Their article says that the mega-donors’ “six- and seven-figure contributions have bought them nothing but grief

“This is definitely not what they had in mind. In their view, cutting a million-dollar check to try to sway the presidential race should be just another way to do their part for democracy, not a fast-track to the front page.”

Uh-huh. The sound you hear is the world’s smallest violin, say, a teeny-tiny Stradivarius insured for millions. “Is there a group of people you can think of who have thinner skin than America’s multi-millionaires and billionaires?” Paul Waldman asks. “Wall Street titans have been whining for a couple of years now about the horror of people in politics criticizing ineffective banking regulations and the favorable tax treatment so many wealthy people receive.

“America’s barons feel assaulted, victimized, wounded in ways that not even a bracing ride to your Hamptons estate in your new Porsche 911 can salve. And now that the presidential campaign is in full swing, their tender feelings are being hurt left and right.”

Last month, an Obama website cited eight mega-donors to Mitt Romney’s campaign as possessing “less-than-reputable records.” Among them was Frank VanderSloot, a Romney national finance co-chairman who has raised millions for the campaign. He’s a rancher with 110,448 acres, on which he no doubt roams playing “This Land is Your Land” on his little Stradivarius and CEO of the billion-dollar company Melaleuca, which *Rolling Stone* describes as “a ‘multilevel marketing’ firm based in Idaho that sells off-brand cleaning products and nutritional supplements.”

VanderSloot and his wealthy pals went ballistic and cried intimidation. “You go back to the Dark Ages,” VanderSloot said, “when they put these people in the stocks or whatever they did, or publicly humiliated them as a deterrent to everybody else — watch this — watch what we do to the guy who did this.”

Conservatives described the Obama ranking of Romney contributors as an “enemies list,” conjuring images of Nixonian wiretaps and punitive tax audits. But despite protestations to the contrary, these deep-pocketed plutocrats aren’t shelling out the shekels for the love of flag, Mom and apple pie (or *tarte tatin,* as they call it in the swanky joints).

“Most of the megadonors backing [Romney’s] candidacy are elderly billionaires,” Tim Dickinson writes in *Rolling Stone*. “Their median age is 66, and their median wealth is $1 billion. Each is looking for a payoff that will benefit his business interests, and they will all profit from Romney’s pledge to eliminate inheritance taxes, extend the Bush tax cuts for the superwealthy – and then slash the top tax rate by another 20 percent.” As at least one of them has said, they view these cash infusions as an “investment,” plain and simple.

Dickinson claims that what VanderSloot specifically seeks are, “Fewer consumer protections. The FDA has rebuked Melaleuca for making ‘false and misleading’ claims about its supplements, and the company has signed a consent decree agreeing to ‘not engage in the marketing and promotion of an illegal pyramid.’

“VanderSloot is also an anti-gay crusader: He tried to kill a PBS program for promoting ‘the homosexual lifestyle,’ and gave big bucks to pass California’s ban on same-sex marriage.” (Maybe that’s why Mitt has called for privatizing PBS, admitting he’s eager to see commercials on Sesame Street!)

Not that Democrats are pure of heart and innocent of venal self-interest many of them are all too ready to leap to the music of the ATM, too. In fact, Adam Bonica, an associate political science professor at Stanford has put together a data base indicating that since 1979, 377 members of the Forbes 400 list of richest Americans have given almost half a billion dollars to candidates of both parties, most of it in the last decade. The median contribution was $355,100 each.

For evidence of the bipartisan nature of avarice, all you need to do is leap into your Wayback Machine and dial back less than twelve hours before *Politico*’s story of angst among the generous upper classes. This time, the headline reads, “Bill would give bank a $300M benefit.”

Seems the Emigrant Bank, based here in New York City, needs a loophole. “At issue is an arcane provision in the Dodd-Frank law setting out how much capital banks are required to have and in what form,” *Politico* reported. “Emigrant, the nation’s largest privately owned bank, currently has $10.5 billion in assets, according to its chief regulatory officer, Richard Wald.”

At one point during the financial meltdown, Emigrant borrowed money that by the end of 2009 raised its worth beyond $15 billion. This triggered a Dodd-Frank provision requiring the bank to liquidate some of its assets.

Enter New York Republican Congressman Michael Grimm who, with the bipartisan backing of members of the House Financial Services Committee, including Democratic ranking member Barney Frank (as in Dodd-Frank), introduced a one-sentence bill – that's right, *one sentence* – moving the cut-off date to March 31, 2010, when the banks assets had slipped back under $15 billion. This will create a savings for Emigrant of $300 million in capital.

Emigrant has come a long way since it was founded in 1850 as a savings bank for newly arrived Irish Ã©migrÃ©s. Now Howard Milstein, whose family is worth an estimated $3.8 billion, owns it. He was a bundler for Barack Obama's 2008 presidential campaign and a major contributor to New York Governor Andrew Cuomo.

Politico's John Bresnahan writes, "The Milsteins, along with business associates and other family members, have donated hundreds of thousands of dollars to both GOP and Democratic lawmakers over the past decade. Along with Grimm, New York Democratic Reps. Carolyn Maloney, Carolyn McCarthy and Gregory Meeks – all co-sponsors of the bill – have received $11,500 in donations from the Milsteins this cycle."

What's more, over the last two years, "The Milsteins have retained high-powered lobbying help to bolster their push for congressional action, at a cost of several hundred thousand dollars," including a firm which counts among its partners former New York Republican Sen. Al D'Amato, whose career in Congress was but prelude to his lucrative retirement as a hustler for the mighty.

All of which leads to one last headline, via the Reuters news service on Thursday: "House panel votes to give New York bank a break." The tally was 35-15.

And the plutocrats cried all the way to the bank.

Bill Moyers is managing editor and Michael Winship is senior writer of the weekly public affairs program, Moyers & Company, airing on public television. Check local airtimes or comment at www.BillMoyers.com.