



The Billionaires’ Long Game

BY ROBERT B. REICH
Tribune Media Services

What’s the biggest political lesson of 2012? Some say it’s that money doesn’t count all that much. Even though billionaires and big corporations poured huge amounts into the 2012 election, they lost big. They learned the lesson and won’t try to buy another election.

Baloney. It’s true their political investments didn’t exactly pay off this time around.

Republican operative Karl Rove’s two giant political funds — American Crossroads (a super PAC) and Crossroads Grassroots Policy Strategies (a so-called nonprofit “social welfare organization” that doesn’t have to report its donors) — backed Mitt Romney with \$127 million spent on more than 82,000 television spots.

Rove’s groups spent another \$51 million on House and Senate races. Ten of the 12 Senate candidates they supported lost. The return on investment for American Crossroads donors turned out to be just 1 percent.

Among Rove’s investors was Sheldon Adelson — the billionaire who owns the Las Vegas Sands Corp. — who invested more than \$100 million in the election, mostly on Republicans who lost.

Adelson wasn’t alone, of course. Texas industrialist Harold Simmons invested \$26.9 million; TD Ameritrade founder Joe Ricketts invested close to \$13 million; a network organized by billionaire industrialists Charles and David Koch invested \$400 million. Most of their investments failed.

But if you think these losses mean the end of high-stakes political investing, you don’t know how these people work.

If and when they eventually win, these billionaires will earn back many multiples of whatever they invested. Their taxes will plummet. Many of the laws constraining their profits (such as environmental laws preventing the Koch brothers from more depredations, and the anti-bribery Foreign Corrupt Practices Act that Adelson is being investigated for violating) will disappear. And what’s left of labor unions will no longer intrude on their bottom lines.

They have enough dough to keep betting until they eventually win. That’s what it means to be a billionaire political investor: You’re able to keep playing the odds until you get the golden ring.

Looking ahead, Adelson told the *Wall Street Journal* he’s ready to double his 2012 investment next time around. “I happen to be in a unique business where winning and losing is the basis of the entire business,” he said. “So I don’t cry when I lose. There’s always a



Robert REICH

new hand coming up.” He isn’t looking back at his losses: “I know in the long run we’re going to win.”

Exactly. Adelson, Simmons, the Koch brothers and other billionaires will keep pouring in as much money as it takes to eventually win — until they’re stopped. And procurers like Rove will make sure they stay at the gaming table — until the table is taken away.

Relative to their assets, the billionaire investors have been playing for a pittance. *Forbes* magazine estimates Adelson’s net worth at \$21.5 billion. His Las Vegas Sands Corp. just approved a special dividend paying him about \$1.2 billion this year, ahead of any possible tax increases that might emerge from congressional budget negotiations.

In the meantime, he and other billionaire political investors are profiting from their reputations as high-stakes players.

Adelson told the *Wall Street Journal* he has many friends in Washington, “but the reasons aren’t my good looks and charm. It’s my pocket personality,” referring to his political investments. And his determination to keep playing the odds ensures his Washington friends will continue to pay attention.

Earlier this month, he met separately with House Speaker John Boehner and Majority Leader Eric Cantor (the Adelsons invested \$10 million in super PACs affiliated with Boehner and Cantor), possibly to discuss changes to the Foreign Corrupt Practices Act.

As income and wealth become ever more concentrated in America, the nation’s billionaire political investors will invest more and more.

Their losses in 2012 won’t deter them. Our democracy is still for sale to the highest bidders. A record \$6 billion was spent on the 2012 campaign, of which outside groups poured \$1.3 billion, according to data from the Federal Election Commission and the Center for Responsive Politics.

That’s why Citizens United v. the Federal Election Commission must be reversed — either by a Supreme Court that becomes aware of the poison it’s unleashed into our democracy, or by constitutional amendment.

It’s also why we need legislation mandating full disclosure of who contributes what to whom. And public financing that matches public money to contributions from small donors.

Most fundamentally, it’s why we must reverse the scourge of widening inequality.

Robert B. Reich, Chancellor’s Professor of Public Policy at the University of California and former U.S. Secretary of Labor, is the author of “Beyond Outrage: What has gone wrong with our economy and our democracy, and how to fix it,” a Knopf release now out in paperback.

The Mentally Ill Vs. Those Who Care

BY CHRISTINE FLOWERS
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I once knew someone, many years ago, who was sent to a “rest home” by her aggravated husband. Today, you and I would call that “involuntary commitment,” and the fellow was able to do it with relative ease because he was an important person, knew the right people, and the laws were on his side. This was a time, the 1970s, when a woman couldn’t even be raped by her husband in a number of states and teenagers could be “grounded” all the way to the psychiatric hospital. It was a time when horrific places like Pennhurst were still operating, and anyone who grew up in the Philadelphia area knows what I’m talking about. More dungeon of horrors than medical facility, Dante himself couldn’t have conjured up something as infernal as this “hospital” where the patients were chained to their beds and starved for days on end.

All of this is to show that I am not insensitive to the plight of the mentally ill. I have had people in my own circle who have dealt with the problem, a serious and heartbreaking one. Until recently, the laws were weighted far too heavily against the afflicted. You’ll forgive the pun, but a mere generation ago the general rule seemed to be “out of mind, out of sight.” It was preferable to hide the people with invisible yet debilitating wounds instead of treating them compassionately.

But as with most things, the corrective pendulum has swung too far in the opposite direction. With the ACLU at the head of the charge, civil rights activists have caused a sea change in the way that we deal with the mentally ill. Too often, while understandably focusing on the rights and needs of the patients, we ignore the people who live with and love them. We lose sight of the pain and damage an unbalanced person can cause in the lives of his family and friends. Yes, we’ve abandoned as archaic laws that used to allow involuntary commitment for subjective reasons, and once-accepted practices like lobotomy and electro-shock therapies would now be barred by the International Convention Against Torture.

These are good things.

What is not good, however, is the fact that civil rights now trump public safety when it comes to those who are potentially violent. The laws generally allow you to commit someone against their will if they have proven to be a danger to themselves or to others, which essentially means that someone has to take a steak knife to your throat or put the kitty in the

microwave before they can be admitted against their will. These ex-post-facto determinations are never adequate when dealing with a diseased mind. It is ridiculous to have to wait until someone actually commits a crime before minimizing the chances that they will be able to wreak mayhem, as Adam Lanza did on a cold December morning in Connecticut.

Of course, that doesn’t sit well with the activists. In a recent column on Newtown I criticized the ACLU for their campaign on behalf of the “fabricated right to be a public dancer.” Not surprisingly, the civil libertarians came out in full force, attacking my insensitivity to the “rights of the disabled.” One acquaintance sent me an email that dripped with sarcasm and naivete when she wrote, “Really? You think the ACLU invented the rights of the disabled? ... I often disagree with your positions, as you know, but this was a purely gratuitous slam at the ACLU, which I think disgusting from any quarter, but more so from a person who claims to be thoughtful.”

Personally, what I find much more disgusting than any “gratuitous slam” at an organization that prides itself on addressing “rights” is the way that the ACLU and other such groups set up obstacles to families desperate for a way to help their diseased and troubled loved ones. The ACLU is impervious to their rights, and it is quite possible that Nancy Lanza ran into one of those obstacles in Connecticut. The ACLU chapter in that state actively opposed a law which would have made it easier for Connecticut to institutionalize or even treat on an outpatient basis a mentally ill patient if it had enough evidence to believe that the person was dangerous.

The ACLU said that the bill would “infringe on patients’ privacy rights.” And so, it went down to defeat months before Adam Lanza went on his rampage.

This is not to say that we need to return to the days of Pennhurst. It is not a call for mass institutionalization of the quirky-but-harmless. As a noted psychiatrist wrote in the New York Times this week, the vast majority of the mentally ill are not dangerous, although they are disproportionately represented among those who commit violent crimes.

This is simply a plea to recognize how far the pendulum has swung in favor of those who think that murdered kindergartners is a fair price to pay for personal liberty.

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OPINION | OTHER THOUGHTS

Was Auto Bailout Really Worth It?

THE SAN DIEGO UNION-TRIBUNE (Dec. 23): The announcement that the federal government would sell 200 million shares of General Motors back to GM for \$5.5 billion and then dispose of its remaining 300 million shares by early 2014 makes a vast taxpayer loss close to a certainty. If the remaining shares sell for the same \$27.50 as the initial block of 200 million shares — and GM’s many headaches make a big stock surge unlikely — the hit would be \$12.5 billion.

Was this worth it? If you believe the 1-million-jobs-were-saved claim, you may say yes. But that claim is based on the very dubious idea that GM would have disappeared without federal intervention. The decision by first President George W. Bush in 2008 and then President Barack Obama in 2009 to have the federal government invest in the automaker allowed GM to avoid the sort of normal bankruptcy process that would have helped it leverage a lower wage structure from the United Auto Workers, one that would have put GM on a par with most of its competitors.

Who agrees that the union made out very well from the taxpayer bailout? Stephen Rattner, the executive Obama chose to oversee the GM deal. “We should have asked the UAW to do a bit more. We did not ask any UAW member to take a cut in their pay,” he said.

Here’s one more twist on the outcome of the Troubled Asset Relief Program: Taxpayers made billions after the federal government was paid back with interest by the most reviled recipients of relief — big banks and the American Insurance Group. But not with General Motors, whose fundamentals were bad far before the housing bubble collapsed in 2007.

Keep this in mind when you hear simplistic talk about the “success” of the auto bailout.

ONLINE OPINION

The results of the most recent Internet poll on the *Press & Dakotan*’s Web site are as follows:

LATEST RESULTS:

Should the City of Yankton impose its own ban on texting while driving?
Yes 78%
No 20%
Not sure 2%
TOTAL VOTES CAST 598
The Press & Dakotan Internet poll is not a scientific survey and reflects the opinions only of those who choose to participate. The results should not be construed as an accurate representation or scientific measurement of public opinion.

CURRENT QUESTION:

Do you think John Thune will run for president in 2016?

To vote in the *Press & Dakotan*’s Internet poll, log on to our website at www.yankton.net.

TODAY IN HISTORY

By The Associated Press
Today is Wednesday, Jan. 2, the second day of 2013. There are 363 days left in the year.
Today’s Highlight in History: On Jan. 2, 1788, Georgia became the fourth state to ratify the U.S. Constitution.

On this date: In 1893, the U.S. Postal Service issued its first commemorative stamp to honor the World’s Columbian Expedition and the quadricentennial of Christopher Columbus’ voyage.

In 1900, Secretary of State John Hay announced the “Open Door Policy” to facilitate trade with China.

In 1921, the play that coined the term “robot,” “R.U.R.” (Rossum’s Universal Robots) by Karel Capek, was first performed in Czechoslovakia.

In 1935, Bruno Hauptmann went on trial in Flemington, N.J., on charges of kidnapping and murdering the 20-month-old son of Charles and Anne Lindbergh. (Hauptmann was found guilty, and executed.)

In 1942, the Philippine capital of Manila was captured by Japanese forces during World War II.

In 1959, the Soviet Union launched its space probe Luna 1, the first manmade object to fly past the moon, its apparent intended target.

In 1960, Sen. John F. Kennedy of Massachusetts launched his successful bid for the presidency.

In 1971, 66 people were killed in a pileup of spectators leaving a soccer match at Ibrox (EYE-brox) Stadium in Glasgow, Scotland.

In 1974, President Richard M. Nixon signed legislation requiring states to limit highway speeds to 55 miles an hour. (Federal speed limits were abolished in 1995).

In 1981, police in Sheffield, England, arrested Peter Sutcliffe, who confessed to being the “Yorkshire Ripper,” the serial killer of 13 women.

In 1983, the musical play “Annie” closed on Broadway after a run of 2,377 performances.

In 2006, 12 miners died in a methane gas explosion at the Sago Mine in West Virginia, W.Va., but one miner, Randal McCloy Jr., was eventually rescued.

Ten years ago: President George W. Bush, seeking to counter Democratic criticisms that his economic policies favored the rich, said

the economic stimulus plan he was going to unveil the following week would focus on jobs and the unemployed. Sydney Omarr, the astrologer to the stars whose horoscopes appeared in more than 200 newspapers, died in Santa Monica, Calif., at age 76.

Five years ago: The Justice Department opened a full criminal investigation into the destruction of CIA interrogation videotapes. (A special prosecutor later cleared the CIA’s former top clandestine officer and others.) Pakistan pushed back parliamentary elections until Feb. 18, a six-week delay prompted by rioting that followed the assassination of opposition leader Benazir Bhutto. Oil prices soared to \$100 a barrel for the first time. Late-night talk shows returned to the air two months into a writers strike. (David Letterman and Craig Ferguson had reached agreements to allow writers to work on their shows; Jay Leno, Conan O’Brien and ABC’s Jimmy Kimmel returned without theirs.)

One year ago: A gas pipeline in central Syria exploded; the government blamed “terrorists” while the opposition accused officials of playing on fears of religious extremism and terrorism to rally support behind President Bashar Assad. No. 3 Oklahoma State beat No. 4 Stanford 41-38 in overtime in the Fiesta Bowl. No. 6 Oregon beat No. 9 Wisconsin 45-38 in the Rose Bowl.

Today’s Birthdays: Country musician Harold Bradley is 87. Former House Speaker Dennis Hastert is 71. TV host Jack Hanna is 66. Actress Wendy Phillips is 61. Actress Gabrielle Carteris is 52. Movie director Todd Haynes is 52. Retired MLB All-Star pitcher David Cone is 50. Actress Tia Carrere is 46. Actor Cuba Gooding Jr. is 45. Model Christy Turlington is 44. Actor Taye Diggs is 42. Rock musician Scott Underwood (Train) is 42. Rock singer Doug Robb (Hoobastank) is 38. Actor Dax Shepard is 38. Actress Paz Vega is 37. Country musician Chris Hartman is 35. Rock musician Jerry DePizzo Jr. (O.A.R.) is 34. Rhythm-and-blues singer Kelton Kessee (IMX) is 32. Actress Kate Bosworth is 30. Jazz singer-musician Chris Trombone Shorty is 27.

Thought for Today: “A clash of doctrines is not a disaster — it is an opportunity.” — Alfred North Whitehead, English philosopher and mathematician (1861-1947).

FROM THE BIBLE

And Ezra opened the book in the sight of all the people. ... And Ezra blessed the LORD, the great God, and all the people answered, “Amen, Amen,” lifting up their hands. And they bowed their heads and worshiped the LORD. Nehemiah 8:5-6. Portals of Prayer, Concordia Publishing House, St. Louis

YOUR LETTERS

‘Opportunity Costs’

Charles Snyder, Apple Valley, Minn.

In a recent column (*Press & Dakotan*, Dec. 20), Michael Reagan wrote, “No matter how much tougher we make our gun laws we’ll never prevent future tragedies like last week’s murder of those innocents in Newtown, Conn.” And, “The only way to bring the death toll down to zero in our schools is to put trained armed guards in every one of them.” He then contradicts himself by writing, “Security is never foolproof. When my father was shot in 1981, he was the most protected person in America, surrounded by heavily armed and trained bodyguards.”

If there was only one guard at a school, he would most likely be the first casualty. He would need to be constantly observant of everyone, whereas a cunning shooter would

have the advantage. Multiple guards would likely limit the carnage or deter the shooter, but then there is the expense to consider which would perhaps be prohibitive.

In economics there is a term, “opportunity costs,” that applies to this situation. If increasingly more money is spent on school safety, the cost per life saved increases. At some point, even the most empathetic would question whether further expenditures are rational.

Sensible gun laws, while not restricting sportsmen, could be fashioned to diminish the number of casualties. Most or perhaps all of these mass slayings have been done by individuals with mental problems. What is more problematic but needs to be addressed is to identify these mental cases and somehow curtail them from acting on their warped inclination to commit evil.

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Published Daily Monday-Saturday

Periodicals postage paid at Yankton, South Dakota, under the act of March 3, 1979.

Weekly Dakotian established June 6, 1861. Yankton Daily Press and Dakotian established April 26, 1875.

Postmaster: Send address changes to Yankton Daily Press & Dakotan, 319 Walnut, Yankton, SD 57078.

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