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For Businesses, Presidential Election Holds High Stakes

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proposal to consolidate nine federal agencies—including the Commerce Department, Small Business Administration and U.S. Trade Representative—under a new cabinet-level Secretary of Business. “There should be a one-stop shop,” he said on SNBC.

On Thursday, Mr. Romney criticized the notion that government reorganization is the key. “We don’t need a secretary of business to understand business,” he said on the campaign trail in Roanoke, Va. “We need a president who understands business, and I do.”

Stumping in Green Bay, Wis., Mr. Obama emphasized the importance of government-funded programs on which the economy depends. “If this country invests the skills and ideas of its people,” he said, “then good jobs and businesses will follow.”

Business has been voting with its bucks. In the 2008 election, corporate political action committees and employees contributed \$2 billion—55% to Democrats and 45% to Republicans, according to the Center for Responsive Politics. So far in this election, 60% of the \$1.8 billion business-related contributions have gone to Republicans.

Supporters of Mr. Romney hope the former Massachusetts governor—who talks of his success as a Republican dealing with Democratic legislature—can

break the logjam in Washington. Another cadre fears he will be captive to the Tea Party wing of the Republican Party.

A constellation of issues stands to impact the way companies do business. An Obama victory would probably cement the president’s health-care law, the merits of which divide businesses; a Romney win would mean an attempt to scale it back. U.S. immigration laws, of keen interest to many employers, may be revisited. And the winner of Tuesday’s vote almost surely will pick a successor to Federal Reserve Chairman Ben Bernanke.

But taxes are high on the business worry list. The president and Congress will have to decide whether to extend a slew of expiring tax cuts and weigh the wisdom of lifting taxes on wealthier Americans to reduce the deficit. There is also bipartisan talk of an ambitious overhaul of the individual and corporate tax codes—a project that could create distinct columns of winners and losers in business.

Mr. Romney has said that a tax-code overhaul can reduce rates and spur economic growth, ultimately bringing in more tax revenue. More than 80 chief executives have said publicly that growth alone won’t suffice, and that both tax-revenue increases and spending cuts will be needed to reduce the deficit.

Much has changed in the past four years. The 2008 presidential

election coincided with an enormous threat to America prosperity. Back then, American business had a single imperative: Save the economy and financial system from collapse. Wall Street turned to Washington for a lifeline. Executives of most businesses—even those who were critical of Mr. Obama—cheered for his economic-resuscitation effort to succeed.

The administration says the bailouts did their job. The U.S. banking system is healthier than it was in 2008, and in better shape than Europe’s. And General Motors and Chrysler, both of which were rescued by Washington, have restructured, and are

The candidates are squabbling over how best to give business, and the economy, a boost.

making money again.

The mood began to shift with Mr. Obama’s December 2009 verbal assault on “fat cat bankers” and other rhetoric that ticked off executives. Wall Street lobbyists and executives felt shunned by the White House, even as liberal Democrats complained the administration was too soft on them.

The showdown in Washington over raising the debt ceiling in August 2011 brought many executives off the sidelines. As talks between the White House and congressional Republicans broke down, headlines warned of a

possible U.S. Treasury default.

Surveys of small-business owners tend to find most in the Romney camp. For them in particular, a big issue is the assertiveness of Obama-appointed regulators.

Although measuring regulation is imprecise, the White House budget office counted 192 economically significant regulations in Mr. Obama’s first three-and-a-half years versus 146 in the same stretch of President George W. Bush’s first term, based on regulations published by executive-branch agencies and reviewed by the budget office.

If he wins, Mr. Romney would

consider duplicative audits—including \$50,300 for its latest inspection by the Occupational Safety and Health Administration.

“I would have spent that on more equipment. That would have created more jobs down the line,” said Mr. Johnson.

OSHA, in a written response, said it didn’t duplicate work on its most recent inspections.

Some small businesses see merits in both candidates. “The idea of having a business guy in the White House is appealing to me as a businessman on sort of a fundamental level,” said Michael Brey, president of Brey Corp., a Washington, D.C.-area chain of toy and hobby shops. “But I like knowing what’s going to happen and President Obama has laid that out clearly.”

Mr. Brey’s company got a Small Business Administration-backed loan in 2010 that helped keep it afloat until it returned to profitability in 2011, he said.

Obama administration officials have been frustrated by the attacks from business, particularly because they feel steps taken by Mr. Obama in 2009, while politically risky, helped prevent an even worse outcome than a deep recession.

The breakdown of campaign contributions from two large industries—Wall Street and the energy sector—underscores the antipathy toward the president. In 2008, investment bankers, hedge-

fund managers, private-equity executives and others on Wall Street sent 57% of their \$170 million in campaign contributions to Mr. Obama and other Democrats. So far this year, 70% of their \$220 million has gone to Mr. Romney and other Republicans.

Energy interests, never a far-off Democratic regulatory policy, have turned particularly hostile to Mr. Obama.

Oxbow Corp., a mining and energy company based in West Palm Beach, Fla., is the single largest contributor to a super PAC founded to help Mr. Romney. It gave \$3.75 million to the group, called Restore Our Future.

“We consider Obama and the government right now to be our biggest concern and the biggest risk in our business,” said William Koch, Oxbow’s CEO. “They are pushing regulations to the point that they will run us out of business and make it too costly to operate in the U.S.”

Mr. Koch’s brothers, David and Charles, are major conservative political funders; William sold his shares in their company, Koch Industries, isn’t in business with them.

White House spokeswoman Amy Brundage said Mr. Obama “has instituted a regulatory policy that is aimed at protecting the health and safety of the American people while at the same time promoting economic growth and reducing burdens to businesses.”