

CAMPAIGN '96

Money talks

*Campaign
finance
laws were
dead letters
in the race for
cash that
marked this
year's
campaign.*

By Anthony Corrado

Frank MacConnell died a few weeks before the election without getting his wish. MacConnell was the sporting goods shop owner who urged President Bill Clinton and House Speaker Newt Gingrich at a barbecue in Claremont, N.H., in June 1995 to form a commission to address the issue of campaign finance reform. The president and the speaker agreed that it was a good idea, and engaged in a now infamous handshake to affirm their pledge to act. The commission, however, was never created.

Not surprisingly, Congress allowed another legislative session to pass without taking meaningful action to heal a gravely ill system. Instead, Democrats and Republicans alike engaged in an unprecedented race for campaign dollars. The result was a record level of campaign spending, guaranteeing that this will be the most expensive elec-

tion in American history. Although the final checks have not been counted, most experts estimate that spending on the presidential race will exceed the record \$550 million spent in 1992 by as much as \$200 million, and spending on congressional races is likely to reach the \$800 million mark, or \$120 million more than the amount spent four years ago.

When Congress reformed the campaign finance laws in the aftermath of the Watergate scandal, it sought to put an end to soaring campaign costs and the influence of big money in federal elections. Under the law, the Democratic and Republican presidential nominees receive a full public subsidy—which amounted to \$62 million each for Clinton and Bob Dole in 1996—to pay for their general election campaigns. Other candidates who receive at least 5 percent of the vote are eligible for a proportionate share of this funding. In exchange, the candidates must not raise any private funds to spend on their general election campaigns, limiting their spending to the amount of the subsidy.

The law also allows the national party committees to spend a limited amount on election-related activities to assist their candidates. These funds, known as “coordinated expenditures” because the purpose of the expenditures can be decided in coordination with a presidential candidate, are subject to federal contribution and spending limits. In 1996, for example, each party could spend no more than \$12 million to help its presidential ticket.

Although the rules established by Congress in 1974 are clear, candidates have always found ingenious ways of circumventing them. The amounts raised and spent in past campaigns, however, pale in comparison with the financial excesses experienced in this election. Indeed, in 1996, the amount of campaign activity conducted outside the parameters of the law was so extensive that the limits imposed by the law were rendered meaningless.

Both parties, for instance, raised record amounts of “soft money.” These funds are not subject to federal limits because they are used to pay for “party-building” activities. Such activities, which include voter registration programs and generic “Vote Republican” or “Vote Democratic” advertising, are exempt from federal regulation because they are not considered “election-related” as defined under the law. Consequently, the parties have free rein to raise and spend as much as they want in this way.

In 1992, the Democrats and Republicans raised a combined total of \$83 million in soft money. This year, the parties hoped to raise more than three times that much. By July 1, the Democrats had already pulled in over \$70 million in soft money, more than twice the \$34.5 million they raised in 1992. The Republicans had brought in \$84 million, compared to \$49 million in 1992. These figures do not include

RNC TV AD: 30 sec.: "More Talk"

VIDEO

Disclaimer: "PAID FOR BY THE REPUBLICAN NATIONAL COMMITTEE"

Footage of Clinton. Superimposed (appearing sequentially): "A lot of talk from Clinton about balancing the budget."

Various clips of Clinton making the quotes.

Superimposed (appearing sequentially): "No wonder Clinton opposes an amendment to balance the budget."

Quick clips of Clinton.

Double screen of Bill Clinton.

Superimposed (appearing sequentially): "Talk is cheap. Double talk is expensive. Tell Mr. Clinton to support the Balanced Budget Amendment."

AUDIO

ANNOUNCER: "For four years, you've heard a lot of talk from Bill Clinton about balancing the budget."

CLINTON: "I would present a five year plan to balance the budget."

"...we could do it in 7 years."

"...I think we can reach it in 9 years."

"...balance the budget in 10 years."

"...I think we could reach it in 8 years."

"...so we're between 7 and 9 now."

ANNOUNCER: "No wonder Bill Clinton opposes a Constitutional Amendment to balance the budget."

CLINTON: "Seven, nine, ten, eight, five."

ANNOUNCER: "Talk is cheap. Double talk is expensive. Tell Mr. Clinton to support the Balanced Budget Amendment."

the most aggressive fundraising efforts, which had yet to get under way by July.

The parties generated these enormous sums by courting the types of large "fat-cat" contributions from individuals, corporations and other special interests that are supposed to be illegal in federal campaigns. Many of these gifts were solicited by the same personnel who filled the coffers of the Clinton and Dole primary campaigns, but then shifted to party fundraising for the general election period. The two presidential candidates played their part. Although banned from raising money for their own campaigns, they are allowed to serve as the main draw at party fundraisers.

Not surprisingly, most of the largest gifts are from corporations or groups that face pressing issues in Washington. By July, tobacco companies, feeling threatened by the Clinton administration's efforts to reduce children's access to tobacco and to further regulate sales, had already donated \$4.6 million in soft money—\$3.9 million to Republicans and about \$700,000 to Democrats. Philip Morris alone had given more than \$2 million, with about \$1.7 million going to Republicans. Telecommunications companies, whose future is increasingly linked to the decisions of federal regulators, had contributed \$4.6 million, with \$2.5 million shelled out to Republicans and \$2.1 million to Democrats. MCI Telecommunications was the leading donor in this category, giving \$767,000

that was divided roughly 3-to-2 in favor of the Democrats. AT&T was also writing big checks, giving \$743,000 that was divided evenly between the two parties. The Association of Trial Lawyers had contributed \$518,000, with \$361,000 going to Democrats and \$157,000 to Republicans.

Soft money, however, was only one of the ways that major corporations sought to flex their political muscle. Business interests also gave substantial sums through political action committees (PACs) and individual gifts from corporate executives. As a result, business money swamped all other sources of funding in the presidential and congressional

Help us keep your ideas alive

Consider a bequest to In These Times.

When planning your estate, please include a tax-exempt bequest, trust distribution or other long-term support for the Institute for Public Affairs.

For more information, contact:

James Weinstein, Publisher, In These Times
2040 N. Milwaukee Ave., Chicago, IL 60647
312-772-0100, ext. 223



Subscribe to ITT!

☐ NEW SUBSCRIPTION.

You'll receive your first issue in 4-6 weeks. Please check price and terms below. **AST1**

☐ RENEW NOW.

We'll extend your current subscription for as long as you like. This saves you worries about expiring and helps us save money and the environment by not sending renewal notices and bills. **ART1**

NAME _____

ADDRESS _____

CITY/STATE/ZIP _____

MOVING:

Fill out old address above, and new address below. Allow 4-6 weeks for change.

NEW ADDRESS _____

CITY/STATE/ZIP _____

☐ WHAT A GREAT GIFT IDEA!

(Just try and find a gift with more thought behind it. Fill

out your name above and the lucky person's name here.) **XSTH1**

NAME OF RECIPIENT _____

ADDRESS _____

CITY/STATE/ZIP _____

PRICES & TERMS

- ☐ One year, 26 issues of In These Times: \$36.95
☐ Six months, 13 issues: \$19.95 ☐ Institutional, one year: \$59.00
☐ Payment enclosed ☐ Bill me Charge my ☐ Visa ☐ MC

ACCOUNT NUMBER / EXPIRATION DATE _____

SIGNATURE _____

Canadian orders, add: \$27.50 (one year), \$13.50 (six months) postage.
 All other foreign orders add: \$41.00 (one year), \$20.50 (six months).

Mail to: IN THESE TIMES Customer Service,
 308 Hitt St., Mt. Morris, IL 61054
 Or call: 1-800-827-0270

al campaigns. An analysis conducted by the Center for Responsive Politics of donations as of July 1 revealed that business groups had contributed \$242 million—nearly seven times more than the \$35 million that came from labor, and more than 20 times the \$10.6 million given by “issue-oriented” groups. Wall Street, in the midst of a bull market, led the charge, with the financial sector—securities firms, banks, and the insurance and real estate industries—giving a combined \$59.8 million. Nearly two-thirds of this money went to the Republicans.

The parties spent much of their soft money on major national advertising campaigns designed to assist their presidential candidates. While both parties had done some generic advertising in the past, those efforts were usually limited to general party messages and confined to the weeks just before the election. In 1996, this changed. The “issue advocacy” ads broadcast this year presented partisan views on specific issues, usually in the form of negative attacks on the opposing candidate’s policies.

A Common Cause study determined that the Democrats had spent \$34 million, including \$22 million in soft money, on these ads by August. This Democratic Party funding supplemented the spending of the Clinton re-election campaign, which allowed the presidential campaign to conserve its own resources early and outspend the Dole campaign by millions of dollars in the months just before the party conventions. Not to be outdone, the Republican National Committee came to the aid of the Dole campaign when Dole started to reach the primary campaign spending limit in April of this year. From April through August, the Republicans spent an estimated \$14 million, including \$9 million in soft money, on ads designed to bolster support for Dole.

Yet none of the millions of dollars spent on these ads counted against candidate or party spending limits. Why not? Because they did not advocate the election or defeat of a specific candidate; they did not include the magic words “Vote for President Clinton” or “Elect Bob Dole.” This bidding war between the parties was spurred on by a ruling issued by the Supreme Court in June. In a case involving issue ads paid for by the Colorado Republican Party, the court seemed to suggest that party committees can make unlimited independent expenditures on behalf of their candidates so long as the party does not consult or communicate with a candidate about its activities. Although issue ads look and sound like campaign ads, the court ruled that they were simply exercises in free speech. Within weeks of the court’s ruling, the Republican National Committee set up a separate office that was “independent” of the rest of its election operation and approved more than \$700,000 for independent ads in states with key congressional seats at stake.

The parties and business interests aren’t the only groups taking advantage of the opportunities to flaunt the law. Seeking to return the House of Representatives to Democratic control, the AFL-CIO devoted \$35 million to an “issue-advocacy” campaign aimed at defeating the freshmen Republicans. The National Republican Congressional Com-

mittee embarked on an ad campaign of its own in October, airing ads in 25 cities designed to respond to the AFL-CIO attacks and to defend its 30 most vulnerable members.

This relentless race for cash and the almost exclusive emphasis placed on negative television commercials is exacerbating the deepest problems in our political system. It virtually guarantees that large disparities in the amount of resources available to candidates will continue to exist. Most of the party spending is focused on the battleground states in the presidential race, the 74 seats held by first-term Republican representatives, and the 50 open seats in the House and Senate. As the beneficiaries of millions of dollars in party spending, congressional candidates in these races find their campaign coffers overflowing with funds. By contrast, at least a third of the congressional challengers are so poorly financed that they are unable to mount viable campaigns. Or candidates find that they need to raise more money than ever before in order to compete with the flow of national money pouring into their districts.

A good example of the effects of such spending is the congressional race in Maine's First District. Freshman Republican Jim Longley, who spent less than \$200,000 in winning his seat two years ago, has been targeted by the Democratic Party and its labor allies. Although he raised more than three times as much in 1996 as he did in 1994, he could not begin to match the resources poured into the race against him. His challenger, Democrat Tom Allen, raised over \$725,000 by the end of September. The Democratic Party began advertising against Longley in the spring. The AFL-CIO had spent \$544,000 on ads attacking his record by the third week of September. The League of Conservation Voters spent more than \$60,000 on an ad campaign of its own. As a result of this race and another hotly contested one, voters in the Portland media market were treated to a barrage of an estimated 6,900 political TV ads between April and September, an average of 41 a day. Many of these were sponsored by groups other than the candidates seeking office, including nearly 2,000 commercials paid for by the AFL-CIO.

More importantly, instead of finding new ways to encourage grass-roots volunteer activity and increase voter turnout, the parties are devoting most of their resources to the type of negative advertising that only serves to increase public cynicism and disaffection with politics. These "issue-advocacy" ads are particularly harmful because they reduce the ability of the electorate to hold candidates accountable for what takes place in a campaign. Because these ads are paid for by others and developed independently, candidates who benefit from them can claim that they have nothing to do with them, as Clinton and Dole have done. They therefore do not have to accept responsibility for any attacks aired in an ad; in fact, candidates can claim they are running "positive campaigns" and can leave the dirty work to outside groups.

This open flow of money from political organizations in Washington also threatens to enhance the trend toward a

nationalizing and polarizing of American politics. Because those who pay the piper call the tune, congressional elections are increasingly being waged on the basis of national issues and cookie-cutter ad campaigns that pay little regard to local issues or concerns. While many of these ads raise important issues, such as the level of funding for Medicare, education and the environment, they do so in ways designed to instill fear in the electorate and that shed little light on the difficult choices that must be faced in addressing these issues. The commercials also seek to divide candidates into two groups by characterizing all Republican challengers as Gingrich clones or all Democrats as "liberal spenders" who favor "big government." The message is every district is the same; only the names change.

Fewer people are giving more money to benefit a shrinking group of candidates. This pattern virtually ensures that a few select groups and fat-cat donors will enjoy special access to government officials, while the rest of the public is left to stand by and watch. Already questions are being raised about the legislative favors corporations will seek in exchange for their campaign largesse. In the next Congress, such big donors will no doubt exert an even stronger influence on the direction of public policy. ◀

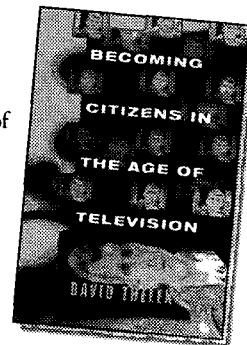
Anthony Corrado is an associate professor of government at Colby College in Waterville, Maine. He is the author of *Paying for Presidents* (Twentieth Century Fund, 1993) and *Financing the 1992 Election* (M.E. Sharpe, 1995).

BECOMING CITIZENS IN THE AGE OF TELEVISION

How Americans Challenged the Media and Seized Political Initiative during the Iran-Contra Debate

DAVID THELEN

"Unlike the host of right-wing poseurs who claim to be 'populists,' Thelen is the genuine article. Tolerant, humane, and democratic, he evokes a vision of citizenship that is rooted in our strongest American traditions. His groundbreaking book reveals the vast gap between what media elites call public opinion and what people actually believe. If we are lucky, we may yet owe a debt of gratitude to Thelen for helping us toward a renewal of democracy."—T.J. Jackson Lears, author of *Fables of Abundance: A Cultural History of Advertising in America*



Paper \$14.95 258 pages

Available at bookstores.

The University of Chicago Press

Visit us at <http://www.press.uchicago.edu>

DRUG POLICY

Can't kick the habit

The Clinton administration has passed up one chance after another to reform a failed drug policy.

By Eva Bertram and
Kenneth Sharpe

T

his year's presidential campaign generated three months of sound and fury about the nation's drug problems—but few new ideas or significant policy proposals. Bob Dole thrust the drug issue onto the agenda in the final months of the campaign by blaming increased teen drug use on President Clinton's "liberal wink-and-nod policies." He hammered Clinton for being soft on drugs and advocated tough talk—and tough action: "Cut off the supply. ... Stop it at those borders. ... Use the capabilities of our armed forces ... [and National] Guard units ... to help local law enforcement." But at root, Dole used the drug issue in the same way candidates have always used it—to serve largely symbolic purposes that have little to do with the real problems of drug abuse and addiction.

The Dole campaign was foundering before the

Republican convention in August. The lifeline seized by the campaign was a massive tax-cut plan, but Dole strategists wanted a "moral issue" to accompany the economic message. Drugs fit the bill: No significant constituency opposes a get-tough stance on drugs, and the connection between drugs and crime in popular thinking has long made drugs a sure-fire issue for Republicans seeking to paint Democrats as liberal and "soft" on crime. Drugs also provided a way to seize the character issue. A president who joked about "inhaling" on MTV and permitted former drug users to hold positions in the White House fit the image of Bill Clinton that Republican conservatives sought to create: lax, liberal, irresponsible, a child of the '60s, an anti-Vietnam War radical.

Clinton's response was to out-tough Dole. He defended his right flank early in the year by appointing a highly decorated general, Barry McCaffrey, as drug czar. As the election neared, he pushed expanded drug law enforcement budgets through Congress—

emphasizing increased funds for drug interdiction. In September, Clinton announced his intention to provide \$112 million worth of training and new military equipment to Colombia, Venezuela, Peru, Mexico and Caribbean countries to fight the drug war. On the campaign trail and in the televised debates, he bragged about signing tough crime measures, proudly pointing to new death penalties for "drug kingpins" among others.

The campaign's protracted non-debate on drugs was no surprise: Democratic and Republican candidates have sought to out-tough rather than debate each other on the issue since Richard Nixon's law-and-order assault on Hubert Humphrey in 1968. Now that the 1996 election is behind us, what is the likelihood of a serious national dialogue on drug policy?

A growing number of policy-makers have concluded that the drug war backed by both Republicans and Democrats over the past 15 years has failed to address drug abuse and addiction in the United States. This failure is not due to inadequate resources or effort—as some argue—but is rooted in the current strategy's misguided reliance on force and coercion to suppress the drug supply and punish drug users.

While they share a rejection of the drug war status quo, reformers do not agree about the shape drug policy should take. Legalization advocates suggest that nothing short of decriminalizing drug use and making the sale of drugs legal would constitute serious reform. Public health advocates would place concern for health, not crime, at the center of drug policy. Other reformers see serious steps toward reducing the harms caused by both drugs and drug policy (often referred to as harm-minimization or harm-reduction strategies) as the appropriate path. The most modest reform agen-