You Break It, You Pay For It

How special interests can serve the cause of campaign finance reform.

By Paul Weinstein Jr.

Despite the widely hailed passage of the McCain-Feingold bill earlier this year—the first campaign finance-reform measure in a generation—it's no secret that money still dominates our elections. When you consider all that it takes to run for public office at the national level these days—expensive political consultants, pollsters, and the growing cost of producing and broadcasting television and radio ads—the cost of a campaign adds up quickly. And that cost is rising. House and Senate candidates spent approximately $2 billion during the 2000 election, and all indications are that the tab for the 2004 elections will far surpass that. As of early October, President Bush had already shattered previous fundraising records by collecting more than $140 million.

As campaign spending has mushroomed, special interests have purchased ever-greater influence. Last year, for example, Congress passed a $73-billion farm-bailout bill. And while farmers are an important political constituency, the lion's share of the bill's benefits didn't accrue to the small independent farmers who need it most—they went to the massive agribusiness farms that are, not coincidentally, among the most generous special interests when it comes to giving cash to candidates and their political action committees (PACs).

Paul Weinstein Jr. *is a senior fellow at the Progressive Policy Institute and teaches at Johns Hopkins University. He is co-author of* The Art of Policy Making.

There are many proposals to fix our campaign-finance system, but each has serious flaws. Many European nations successfully limit the amount of money campaigns can spend, but in the United States, the Supreme Court in *Buckley v. Valeo* declared this practice unconstitutional. There's the idea of banning or capping contributions—but as we've discovered, these are easily circumvented. Already, lawyers for both parties are scrambling to find loopholes in the ban on "soft money" that was the leading provision of McCain-Feingold, intended to prohibit unregulated large contributions to political parties. The latest innovation is to direct soft-money contributions from business, labor unions, and other wealthy special interests to state party organizations (which can still receive soft money donations) and to establish "mini-parties"—front organizations set up on behalf of national parties to evade the soft-money ban.

Then there's public financing. Since the Watergate scandal, public interest groups have championed the idea of publicly financed campaigns, in which candidates receive taxpayer money in exchange for adhering to voluntary campaign spending limits. (Only presidential candidates can qualify for public funding—paid for by the $3 box you can check off on your tax return.) In the past, this helped to level the playing field between incumbents and challengers: Gerald Ford, Jimmy Carter, and George H.W. Bush all lost their reelection bids to publicly financed candidates.

Reformers have long wanted to take the next logical step and employ public financing not just in presidential contests but in House and Senate races, too. Purely as a matter of policy, the idea makes sense. In addition to limiting the influence of special interests in Congress, it would allow lawmakers and candidates to spend more time on the stump talking about issues, and less time on the phone dialing for dollars. It would also eliminate much of the need for sitting presidents to spend every third day traveling around the country attending congressional fundraisers (a practice Bill Clinton perfected and George W. Bush has taken to new levels of excess). Unfortunately, no one has ever come up with a politically practical way to pay for public financing of congressional general election campaigns. The roughly $250 million raised by the voluntary check-off barely covers the cost of presidential races, and, though the amount was increased from $1 to $3 to make up for the declining number of contributions, the percentage of taxpayers who choose to contribute has dropped from a high of almost 29 percent in 1980 to 12.5 percent in 1997 (the most recent year for which figures are available). The government could, in theory, tap general revenues for this purpose. But the notion of taxing voters to pay for congressional campaigns is one for which lawmakers have understandably shown minimal enthusiasm.

All of which suggests that we need a new way to achieve public financing for congressional races. And I have an idea—one that would be popular with average Americans because it won't cost them a dime. Special interests are the biggest beneficiaries of the current campaign finance system, so why not make them pay to clean it up? Just as we tax gasoline to pay for road repairs, why not charge special interest groups fees to fix our campaign finance system by providing campaign funds to candidates who agree to forego other donations for the general election?

A Special-Interest Toll

Here's how it would work. Every lobbyist, political action committee, political consultant (yes, pollsters too), and government contractor would be charged a fee, either once up front or on an annual basis. There are approximately 25,000 lobbyists, political consultants, and PACs in the United States, and more than 450,000 government contractors and vendors. An annual fee of, say, $2,000 would raise in excess of $1.9 billion every election cycle, more than enough to cover the general election cost of every House and Senate race. This money would be placed in what I'd call a "Democracy Endowment" (with full credit to Al Gore, who coined the term). This endowment would be an independent entity administered by a board of trustees nominated every five years by the president and approved by the Senate. Any candidates for federal office who agreed not to accept other sources of funding would be able to tap this endowment to pay for their campaign.

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The precise amount of public funds individual candidates would receive would be based on a combination of factors, including the average cost of previous House and Senate campaigns and the cost of advertising in particular districts or states. Since the program would be voluntary—if it were mandatory it would be unconstitutional—candidates could choose not to participate and instead finance a campaign with private contributions or their own personal wealth, as Sens. Jon Corzine (D-N.Y.) and Peter Fitzgerald (R-Ill.) have both done under the current campaign finance system. In order to discourage superrich candidates from opting out of participation in the Democracy Endowment and trying to buy an election, trustees could supplement the amount of money given to participating candidates who have to go up against a rich or privately funded opponent. Of course that leaves one important practical question: How on earth do you pass a law that every lobbyist and industry trade group in Washington would seem sure to oppose?

The answer is that a surprising number of special interests might, in fact, not oppose it. Here's

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why: Corporations like certainty; they want to know the bottom line. Businesses participate in the current system out of necessity, but by and large would prefer a system in which they paid an established fee to ensure themselves access instead of one in which they were constantly shaken down by political fundraisers. Indeed, some big businesses supported the McCain-Feingold soft money ban out of a strong desire to end the growing number of "requests" from politicians for more and more money.

Others will support this approach to cleanse their conscience. While some lobbyists are in the business just to make piles of money, others are former Hill staffers and government employees who originally came to Washington to serve the American public. Many of these folks believe in the causes they are advocating, and would be much happier arguing over the merits of a particular bill or regulation than they would over the sum of money they have to contribute to someone's campaign to get their issue heard. Moreover, most lobbyists—who rank somewhere between lawyers and ivory smugglers in the minds of most Americans—would love a chance to rehabilitate their image. It's hard to imagine now, but once, lobbying on behalf of certain causes and professional organizations was considered an honorable profession. Its importance was so significant that de Tocqueville argued that "in democratic countries the science of association is the mother of science; the progress of all the rest depends upon the progress it has made." My proposal would allow lobbyists and lobbying associations to regain their public respect and return to their original mission, disseminating information and analyzing the impact of ideas on different sectors of society, rather than bribing politicians to support the political will of a few well-off individuals or groups.

Still not convinced? Then think about this. Back in the mid-1980s, no one believed that a small group of senators and representatives could take on an array of special interests and close major loopholes in the tax code. But these lawmakers succeeded by enlisting the support of the one group politicians are more beholden to than special interests: the taxpayers. By getting their bill to the floor of Congress and framing the vote as a choice between "regular people" and "special interests," they passed the Tax Reform Act of 1986; lawmakers were more fearful of voters' wrath than lobbyists' threats and cajoles. Sens. McCain and Feingold used a similar strategy to pass their soft money ban. Advocates of a special-interest-funded Democracy Endowment could employ similar tactics by enlisting the right political leadership and the support of the elite press.

Of course, even if lobbyists were to accept the idea of paying fees for public financing, they would surely fight to keep those fees as low as possible. But this urge, too, could be turned towards a noble end. For years, reformers have argued that political candidates should get free TV time to run campaign ads, in order to lower campaign costs and thereby reduce the need for special interest money. And for years, the broadcast industry, which makes a fortune from paid political advertising, has blocked the idea. But what if reform-minded lawmakers offered K Street a deal: We'll reduce the fees you will pay for public financing *if* we get free TV time? Suddenly, virtually every lobbyist, pollster, and contractor in town would have an incentive to lean on the broadcasters and on the lawmakers who support them to accept free TV time.

Together, these reforms surely wouldn't stop every campaign abuse. There will always be big-money donors eager to contribute to politicians, and clever politicians and lawyers will always find ways to skirt the rules in order to get that money. Getting all private money out of politics simply isn't an achievable goal. Nor is it a necessary one. The real goal ought to be to put as much distance as possible between wealthy special interests and elected officials who are supposed to act on behalf of the American people. The Democracy Endowment would do that, and it would do so without limiting free speech or starving campaigns of money. It's time for some political jujitsu—let's turn the biggest source of money politics into the handmaiden of reform.

Doctor Who?

Scientists are treated as objective arbiters in the cloning debate. But most have serious skin in the game.

BY NEIL MUNRO

THERE'S HARDLY AN ISSUE MORE difficult to untangle—or more important to the future of science and medicine—than that of human cloning and stem cells. But for reporters charged with covering the debate, sorting out the questions involved is as difficult as explaining the science behind them.

There's one argument over whether the government should ban researchers from using embryos that are going to get thrown away at fertility clinics, on the claim that they are human lives even if they're going to be destroyed anyway. There's another, slightly different argument, over whether scientists should be allowed to clone adult cells to produce embryos, from which scientists can then extract embryonic stem cells—cells which could, in theory, be transplanted back into the original adult patient for different forms of therapy. There's still another dispute over whether adult stem cells are even viable alternatives in the event that use of embryonic stem cells is outlawed.

When covering these debates, reporters often try to use university scientists as objective arbiters. Politicians and interest groups may be motivated by ideology, but the scientists—they presume—are sticking to the facts. But the funny thing is, scientists don't necessarily agree about the facts. For instance, David Prentice, a biologist at Indiana State University, has been quoted in dozens of newspaper articles as an advocate for the position that you can limit the use of embryonic stem cells without hurting scientific research. And then there's somebody like Irving Weisman, a Stanford scientist and past chair of a prestigious panel on cloning at the National Academy of Sciences, who's been quoted in over 160 newspaper articles in recent years defending the opposite position—that embryonic stem cells are essential to future advances in medical science and technology.

Part of the explanation, of course, is simply an honest difference of opinion among scientists grappling with difficult emerging questions. But there's a deeper problem at work which journalists overwhelmingly ignore: These supposedly objective scientists have business interests that overlap with their scientific views. For instance, Prentice specializes in studying stem cells taken from adults, not embryos, and has sought a federal grant from the National Institutes of Health for his work; federal curbs on embryo research would "obviously" free more funds for his approach, he says, and if his research pans out, Prentice will market the resulting procedures via a biotech company—a company which would have better prospects were embryo-cell cloning outlawed by the government. By the same token, Weissman has already made millions of dollars through three companies he's founded—Systemix Inc., Celltrans Inc., and StemCells Inc., the last two of which he still helps manage—which use stem-cell technology. When President Bush announced last August that he would give narrow support to such technology, the market value of the StemCells Inc. briefly shot up by 45 percent.

NEIL MUNRO *covers the politics of the technology business for* National Journal.