

# US campaign finance reform: the substance behind the "democratic" hype

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As the US Senate enters the second week of debate on the McCain-Feingold bill—hailed as a major step for campaign finance reform by its supporters, damned as an assault on free speech by its opponents—a powerful element of farce pervades the proceedings. Senators who last month gave standing ovations to the undemocratically installed President George W. Bush, as he gave his budget address to a joint session of Congress, now profess deep concern for democracy and political freedom.

Both John McCain, the principal sponsor of the legislation, and Mitch McConnell, its leading opponent, are Republican senators who backed the intervention of the US Supreme Court to determine the outcome of the presidential election by suppressing vote recounts in Florida. In 1998-99, both supported the attempt of congressional Republicans and Independent Counsel Kenneth Starr to use a sex scandal as the means of overturning the results of two presidential elections, through the impeachment and Senate trial of Bill Clinton.

Now McCain—a longtime defender of American corporate interests—claims to be leading the charge to defend democracy from the excessive influence of big money. Even more cynically, McConnell, Trent Lott, Jesse Helms and other arch-reactionaries, backed by the Bush White House, claim their opposition to the campaign finance legislation is based on devotion to the First Amendment.

While both sides in the debate declare that fundamental issues of principle are at stake, the legislation would actually make relatively minor changes in the system of legalized bribery that placed these senators in their well-paid positions at the summit of American politics. For the 100 members of the Senate, there is great meaning in the arcana of “hard money” and “soft money,” limits on expenditures by “advocacy groups,” special provisions for candidates who are “self-financed” and those challenged by such candidates, and rules prescribing the rates which television stations may charge to run campaign commercials. These details can make the difference between electoral victory and defeat.

But an observer unfamiliar with the peculiar character of the American political system might have some difficulty making heads or tails of these deliberations. Is there any basic issue of democratic rights involved? Or is this essentially a squabble among the political prostitutes of corporate America over the best method for conducting their sordid business?

## The business of elections

A few general considerations are in order. More than in any other capitalist country, the electoral process in the United States is itself a big business. In the 2000 elections more than \$3 billion was expended by Democratic and Republican politicians, their parties and assorted non-party political action committees aligned with one side or the other, to elect the president, the members of the House and Senate, a dozen governors, and the members of the various state legislatures.

This means that vast and competing economic interests underlie not only the political divisions and conflicts within the ruling elite, but also the electoral process itself. Election-related advertising in 2000 contributed an estimated \$1 billion to the revenues of the broadcast media, especially to

the owners of local television stations, whose ranks include the networks themselves as well as other media conglomerates. Any reduction in the vast sums currently expended on election-year commercials would strike directly at the profits of these powerful monopolies.

Then there is the vast apparatus of campaign consultants, pollsters and other specialists in the techniques of advertising that is dependent on the continued flow of money into the coffers of the Democratic and Republican politicians.

As for the candidates themselves, they are corrupted and degraded by the never-ending pursuit of campaign cash. By one estimate, the typical senator has to raise \$6,000 each day of a six-year term in order to accumulate a sufficient war chest for reelection. So all-consuming is this drive that during the past week there was a regular shuttle between Capitol Hill, where senators made or listened to speeches about the evils of campaign money-raising, and fundraising events which were being held every night for one senator or another.

The McCain-Feingold bill proposes to bail out this ocean of corruption with a bucket of reform—and a leaky one at that. Even were it to have the full effect promised by its sponsors, eliminating all “soft money,” it would cover only a small portion of the cash used to grease the electoral machine. In the 2000 election cycle, the large contributions to political parties from corporate and union donors that fall under the “soft money” category amounted to \$487 million, less than 20 percent of the fundraising total. Even such a limited diminution of campaign fundraising is unlikely, however, since wealthy interests would undoubtedly find new ways to funnel cash into the political system.

If the claim to “reform” is grossly inflated, the opposing claim to defend “free speech” is even more ludicrous. The basic sophistry of McConnell, Lott & Co. is the identification of speech and money, equating a basic democratic right with the “right” of the wealthy to buy political influence.

Perhaps the most grotesque commentary in this vein came from columnist George Will, who long ago earned the reputation, among reasonably critical and intelligent readers, as a vassal of big business. He declared the struggle to preserve the unfettered right of the rich to buy politicians to be “the most pivotal moment in the history of American freedom since the civil rights revolution.”

This comparison, besides being absurd, ignores the fact that right-wing ideologues of Will's stamp vociferously opposed civil rights legislation as a violation of “states' rights,” while denouncing Martin Luther King, Jr. and other civil right leaders as dangerous agitators. More recently, these same elements spearheaded the assault on the most basic democratic right of all, the right to vote, which the Bush campaign and the Supreme Court trampled on in Florida.

Only 0.2 percent of the American people presently contribute the maximum of \$1,000 per candidate in “hard money” permitted by federal election laws. Still fewer indulge in the six-figure donations to political parties that constitute “soft money.” The vicious infighting in the Senate thus concerns the imposition or relaxation of restrictions on a few

thousand people. But this relative handful are the ones who really count in the American political system.

### **The market for politicians**

The McCain-Feingold bill is at best a palliative, an attempt to make the American political system appear more democratic, while changing nothing fundamentally. But that does not mean there is no political significance to the divisions within the ruling elite over the bill, divisions which largely reproduce those that emerged during the Clinton impeachment and the 2000 election debacle.

John McCain, Russell Feingold and the bulk of the Democratic Party, together with much of the media, back campaign finance reform out of concern that the American political system has been so thoroughly discredited in the eyes of the broad public that some cosmetic restrictions on the influence of big money are necessary.

Many of their arguments—and those of their right-wing opponents—are reminiscent of the disputes over deregulation of various industries. McConnell, Lott and the *Wall Street Journal* preach the gospel of the unrestrained capitalist market, insisting there be no restrictions of any kind on the power of capital to exercise political influence. “Let the market rule,” they demand.

Supporters of McCain-Feingold echo the proponents of limited regulation of the market, pointing out that the unfettered exercise of monopoly power may produce instability and inefficiency. Perhaps the bluntest statement of this position came in a column published in the *Washington Post* March 21 by billionaire investor Warren Buffett, the second richest man in America.

Buffett declared that “market economics” now ruled the political system: “This trend has already pushed up prices. But we are far from market equilibrium. For those whose profits are intertwined with government actions, political influence is still ridiculously underpriced. It won't, however, stay that way. If a market model prevails, political clout will eventually be priced appropriately, which means survival of the fattest will be ensured.”

Buffett concluded: “If we instead continue to permit political influence to be dispensed through a market system, we should expect market results”—in other words, the same kind of polarization between wealth and poverty that characterizes the American economy.

Buffett quite openly makes the case for corporate interests that want to rationalize the market for political influence and politicians. Laissez-faire in this sector has proven too expensive and chaotic. The price of congressmen, senators and presidents has been inflated by the unrestrained play of market forces, and, the Buffett faction might add, the quality of the goods purchased has been none too good.

In arguing in this fashion, as he did in a joint statement issued by a group of billionaires opposing abolition of the inheritance tax, Buffett voices the standpoint of the longer-term interests of the capitalist system and the capitalist class, against those whose reckless pursuit of short-term goals threatens, in their view, to destabilize American society.

### **Democracy and capitalism**

The editorials on campaign finance reform in the leading liberal newspapers, the *New York Times* and the *Washington Post*, have been especially strident, with the *Times* declaring, “Few moments in recent history have been as critical to the health of the American political system,” while the *Post* avowed, “This bill, not the tax bill, is the test of this year.”

Both newspapers have declared, correctly enough, that the present system makes a mockery of democracy. But their record as defenders of democracy is more than a little dubious, since both editorially supported the Starr investigation and the congressional impeachment witch-hunt, and both counseled submission to the Supreme Court's edict against the counting of votes in Florida.

The *Post* admitted, in another editorial, “We live in a society now in

which public office is not so much won as bought. The buyers for the most part tend to be interest groups with business before the government whose members their contributions are meant to elect. Those who lack the means to contribute need not apply.”

In the final analysis, however, the buying and selling of political office is inevitable in a society so completely dominated by corporate interests. McCain-Feingold, and more sweeping proposals such as complete federal financing of election campaigns, amount to efforts to insulate the political system from the capitalist nature of the society as a whole, under conditions of growing inequality between a thin stratum at the top and everyone else.

Liberal *Washington Post* columnist E. J. Dionne spelled out this dilemma, writing, “The big concentrations of economic power that market economies make possible can have undue influence on governments—even democratic governments. A capitalist democracy ... ceases to be democratic when the power of monied interests dominates the government.

“Campaign finance reformers thus undertake what might be seen as a tragic but necessary task. They know right from the start that under capitalism, those with a lot of money will always talk louder than those with less. No campaign reform can change that.”

The social structure of capitalist America is profoundly undemocratic. A handful of corporate bosses and multimillionaires own the bulk of the wealth and make the decisions which determine the everyday conditions of life for the vast majority of working people—whether they will have a job, how much they will be paid, how their workplaces will function. It is futile to expect that this ruling elite will limit itself to an economic dictatorship and keep its hands off the political system.

The only genuine democratic alternative is the building of a political movement that sets as its goal, not restricting or even eliminating big money's political influence, but putting an end to the domination of society by a corporate and financial oligarchy. This requires the construction of a mass, independent party of the working class dedicated to the democratic and egalitarian transformation of the American economy and American society as a whole, through the struggle for socialism.

*See Also:*

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