

RENEWABLE DEAL, ASPECT TWO, PLANK TEN: ELECTION FINANCING

(Revised 18 Feb 09)

Plank Ten: Institute public funding of federal elections, based on the successful model developed by states such as Maine and Arizona.

Discussion: To qualify for “clean financing,” candidates have to demonstrate a broad level of support by getting signatures and \$5 donations (which go to the Clean Elections fund, not the candidate) from a certain number of voters within the district or state from which the candidate seeks election. This number is about 200 for a state legislative seat and 25,000 for a gubernatorial or other statewide office run. This sorts out those running as a lark. Once qualified, clean election (CE) candidates receive a fixed and equal amount of public funds. They get an allotment to run in their party’s primaries, and those who win the primary receive another allotment for the general election. Candidates who do not choose to run as CE operate under the old campaign-financing rules, raising and spending as much funds from donors or from their personal fortunes as they please. If a CE candidate is being outspent by a non-CE candidate, the CE candidate gets an extra allotment of matching funds from the public to stay competitive. Under the CE system, the candidates are clearly labeled on the ballot as whether they ran under the Clean Elections funding rules or did not.

Nationwide, 74 percent of those polled favor having voluntary public funding of federal elections. 57 percent strongly favored voluntary public funding of the CE elections type and only 16 percent opposed it. By party, 60 percent of Republicans, 80 percent of Democrats, and 78 percent of Independents favor it. If respondents are analyzed by age group, gender, or region of residence, support is fairly constant at about 75 percent across group categories, with no group scoring below 60 percent support. 82 percent of respondents say public funding means candidates will win on ideas, not money; 81 percent say politicians will be accountable to voters, not large donors; and 77 percent say special interests will not receive as many favors and insider deals from officeholders.

Maine has had four election cycles under their CE law since 2000. 83 percent of Maine State Senators and 84 percent of the Maine House members were elected with clean money. In Maine’s 2006 elections, 72% of Republicans, 92% of Democrats, 64% of Greens, and 38% of other party candidates chose to run under the CE system. In the 65 legislative races where one candidate was CE and the other not, the CE candidate won in 58 percent. 84 percent of the 103 women running for Maine legislative seats in 2004 used the public CE option; 62 percent of them said the availability of CE was “very important” in making their decision to run, and 42 percent said they probably would not have stood for office if CE funding was not available. Maine Representative Nancy Smith observes, “Clean campaigns allow those who work to run for office, and they create ‘citizen legislatures’ that bring very different perspectives and a different energy to government.”

In Arizona, 59 percent of state legislators have won using CE public campaign funding. Nine of

the state's eleven current statewide officials ran under CE public campaign funding. Arizona Governor Janet Napolitano observes that whenever business interests wanted something in the past from the Arizona legislature, "they were pretty much able to have their way at the legislature, [but] now they don't have as many members who have to listen to them anymore...You can tell the difference."

The "culture of corruption" in Washington is bipartisan, and results from the combination of ever-escalating federal office campaign costs, the fact that the better-financed Congressional candidate wins office over 90 percent of the time, and the resulting dependence of serious candidates for Congress on large campaign donor groups. The special interests, corporate and otherwise, who contribute large sums to federal campaigns view their efforts as an investment. In addition to simply buying access - both during the solicitation by the candidate for campaign funds and afterwards when the donor approaches the Congresscritter's office about an issue - the donor's access enables the donor to ask the Congresscritter to slip some narrowly tailored provision into a tax or other bill which will benefit the special interest donor. Such riders are buried with hundreds of others in bills no reporter will ever notice and write about. Thus, a campaign contribution represents an investment that can return to the donor interest a hundred or thousand fold in the value of legislation to the donor's financial interests.

In addition to such personalized "constituent services," the campaign financing system induces a state of timidity among Congressional candidates and incumbents. They are fearful of taking stands towards public welfare issues which could offend a donor block and thus limit their access to campaign funding.

In his editorial in the December 17, 2007, UK *Guardian*, George Monbiot writes about why the U.S. acts as it did at the U.N. climate change negotiations at Bali, Indonesia, where the U.S. demanded all emissions reduction targets and dates for achieving those targets be removed from the convention before the U.S. would sign it: "Because, like several other modern democracies, it is subject to two great corrupting forces. I have written before about the role of the corporate media - particularly in the U.S. - in downplaying the threat of climate change and demonising anyone who tries to address it. I won't bore you with it again, except to remark that at 3pm eastern standard time on Saturday, there were 20 news items on the front page of the Fox News website. The climate deal came 20th, after 'Bikini-wearing stewardesses sell calendar for charity' and 'Florida store sells 'Santa Hates You' T-shirt.'

Let us consider the other great source of corruption: campaign finance. The Senate rejects effective action on climate change because its members are bought and bound by the companies that stand to lose. When you study the tables showing who gives what to whom, you are struck by two things.

One is the quantity. Since 1990, the energy and natural resources sector - mostly coal, oil, gas, logging and agribusiness - has given \$418m to federal politicians in the US. Transport companies have given \$355m. The other is the width: the indiscriminating nature of this munificence. The big polluters favour the Republicans, but most of them also fund Democrats.

During the 2000 presidential campaign, oil and gas companies lavished money on Bush, but they also gave Gore \$142,000, while transport companies gave him \$347,000. The whole US political system is in hock to people who put their profits ahead of the biosphere.

So don't believe all this nonsense about waiting for the next president to sort it out. This is a much bigger problem than George Bush. Yes, he is viscerally opposed to tackling climate change. But viscera don't have much to do with it. Until the American people confront their political funding system, their politicians will keep speaking from the pocket, not the gut."

The accelerating campaign money chase: The average House race in 2006 cost more than \$1.2 million. The desperate steeplechase of raising campaign funds keeps incumbent Congresscritters spending a large portion of their time in office soliciting campaign contributions from well-heeled interests rather than collaborating with their peers to address the problems and concerns of the majority of their constituents who are sub-rich, of which they may not be aware because they spend so little time talking to anybody who isn't rich.

Of the 53 House members first elected in November, 2006, 20 are members of "Club Million" - the designation for representatives who raised one million dollars or more of campaign funds during their first year in office. 17 of the freshmen Club Million members are Democrats, 3 are Republicans.

In 2001 only one freshman House member raised a million dollars in their first year in office. In 2003 seven did. Now in 2007 20 did.

House Democrat Kirsten Gillibrand of New York is a member of the class of 2006 Club Million. She was budgeting for a \$1 million primary and a \$3-5 million general election battle to keep her seat in the 2008 election. Her opponent, Sandy Treadwell, former NY GOP Chairman and Secretary of State, will spend at least as much and is a millionaire who can finance his campaign.

Corruption of government: "The Madoff Economy": Nobel laureate economist Paul Krugman wrote on December 19, 2008, in "The Madoff Economy" in the *New York Times*, that "The pay system on Wall Street lavishly rewards the appearance of profit, even if that appearance later turns out to have been an illusion.

Consider the hypothetical example of a money manager who leverages up his clients' money with lots of debt, then invests the bulked-up total in high-yielding but risky assets, such as dubious mortgage-backed securities. For a while - say, as long as a housing bubble continues to inflate - he...will make big profits and receive big bonuses. Then, when the bubble bursts and his investments turn into toxic waste, his investors will lose big - but he'll keep those bonuses."

"We're talking about a lot of money here. In recent years the finance sector accounted for 8 percent of America's G.D.P., up from less than 5 percent a generation earlier. If that extra 3 percent was money for nothing - and it probably was - we're talking about \$400 billion a year in waste, fraud and abuse."

“At the crudest level, Wall Street’s ill-gotten gains corrupted and continue to corrupt politics, in a nicely bipartisan way. From Bush administration officials like Christopher Cox, chairman of the Securities and Exchange Commission, who looked the other way as evidence of financial fraud mounted, to Democrats who still haven’t closed the outrageous tax loophole that benefits executives at hedge funds and private equity funds (hello, Senator Schumer), politicians have walked when money talked.”