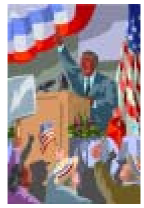
Corporations, money, and politics

So you want to run for Congress.

First question: Can you raise enough money? Because in the most recent Congressional election, the candidate who raised the most money won 94% of the time.



Want to challenge for a House seat? The average House winner in 2002 raised $966,000. Want to challenge for a Senate seat? The average Senate winner in 2002 raised more than $5 million.

Now, where's that money going to come from?

In a word, business. In the most recent election cycle, 73.4% of all congressional campaign donations came from business interests, which gave a little over $1 billion to all contests, about $2 million per race. (44% went to Democrats, 56% to Republicans.) In 2000, business gave $1.2 billion, also about 75% of all donations (again, 42% went to Democrats, 57% to Republicans.)

To get this money, first you'll have to take on some pro-business stances in your campaign. Then, if elected, an army of roughly 20,000 corporate lobbyists will be there to remind you of the corporate donations that helped you win and the pro-business stances you promised. (Washington lobbying is a $1.5 billion a year industry.) You'll be reminded that should you decide to legislate against business, you'll get no money next time around and won't get re-elected. So you'll likely legislate the way business wants you to legislate.

This is how it works. Take any vote where a corporate interest is at stake, and all you have to do is follow the money to explain how the vote turned out that way. It's disturbingly simple.

But it doesn't have to be this way. On the back are proposals to reduce the corporate domination of politics and give citizens their proper role in a democracy that is supposed to be for the people, not big corporations.

All figures are from the Center for Responsive Politics, www.opensecrets.org.

Corporate cash and elections

Source of 2002 campaign funds:

Business: $1.031,842,476 (73.4%)
Labor: $96,396,762 (6.8%)
Ideological: $76,560,073 (6.5%)
Other/Unknown: $200,819,546 (14.3%)

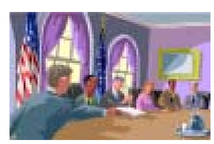
Biggest corporate donors 2002

Saban Entertainment: $12,336,000
Newsweb Corp: $7,432,500
Freddie Mac: $4,178,174
Microsoft Corp: $4,090,848
Philip Morris: $3,976,003
AT&T: $3,936,296
Goldman Sachs: $3,510,905

Source: Center for Responsive Politics, www.opensecrets.org

Does money buy votes?

- In March 2002, the Senate voted against a proposal to raise the Corporate Average Fuel Economy (CAFE) standard to 36 miles per gallon by 2015. The 62 Senators who voted to avoid toughening the rules received an average of $18,800 apiece from auto companies. The 38 who voted against averaged $5,590.
- In July 2002, the Senate voted to ship 77,000 metric tons of nuclear waste to Nevada's Yucca Mountain despite serious safety questions about both the site and transport of the waste. Though it was mostly a party-line vote, the 15 Democrats who voted for the site received an average of $35,900 from the nuclear industry.



Source: Center for Responsive Politics, www.opensecrets.org

Why we need better campaign finance reform

The McCain-Feingold campaign reform law, passed in February 2002, banned the unregulated large-sum donations known as "soft money" that had grown exponentially in the last decade. But it is unlikely to significantly reduce the corrupting influence of big money in politics.

- Even at its height, soft money only accounted for 20% of all the money in politics.[1]
- Hard money in federal campaigns amounts to $2 billion[2] McCain-Feingold raised hard money limits from $1,000 to $2,000 per individual candidate, from $20,000 to $25,000 per national party committee, and from $5,000 to $10,000 for Political Action Committees.
- In the 2000 elections, just 1 in 400 Americans donated more than $200 to the political process[3] Of donors who gave $200 or more to a candidate, 81% earned more than $100,000 a year and 65% belonged to a business group[4]

[1] US PIRG: "Redefining the Problem of Big Money in Politics"; [2]Micah Sifry, "Beyond Banning Soft Money", Mother Jones, 2/26/02; [3]Center for Responsive Politics[4]Joyce Fund poll, 1996;

What about other industrialized nations?

The United States is the only industrialized nation that does not provide free media time to national candidates.

Only the United States, Ireland, and Switzerland do not provide public financing for candidates to the national legislature.

For more information, visit Citizen Works at http://www.citizenworks.org or call 202-265-6164.

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Solutions:

1. "Clean" Elections

Arizona, Maine and Vermont all ran Clean Money elections in 2000 with great success. There were more contested races and more women and minorities ran. Candidates spent more time with voters and less time "dialing for dollars." Private spending dropped 17% in Arizona and 51% in Maine. Massachusetts has also adopted Clean Elections.

Clean Elections laws require candidates to collect a set number of signatures and small (e.g. $5) contributions from registered voters. Then candidates who agree not to raise or spend private money during the primary and general election will get a set amount from the Clean Elections fund. Candidates are, of course, free to refuse and raise their own money. Candidates who are outspent by privately-financed opponents are entitled to limited matching funds.

Other states considering Clean Elections include: Connecticut, Illinois, Maryland, Minnesota, New Mexico, North Carolina, and Wisconsin. A "Clean Money/Clean Elections" bill has also been introduced in both the U.S. Senate and House of Representatives. For more information, visit Public Campaign at www.publiccampaign.org.

2. Free Air Time

One of the reasons that candidates need so much money is that getting out the message is so expensive. Television political ad sales for the 2002 election hit $1 billion, a fourfold increase from 1990. In the 2002 election, candidates, parties, and issue groups aired approximately 1.5 million 30-second spots — enough to keep you busy until 2008 if you watched straight for 40 hours a week. Viewers were four times more likely to see a political ad than political news coverage.

One way to counter this is to reduce the demand by requiring television and radio stations to give candidates free air time to discuss the substantive issues of the campaign. In October 2002, Sens. John McCain (R-Ariz.), Russell Feingold (D-Wisc.) and Richard Durbin (D-Ill.) introduced a bill that would do just this, requiring radio and television stations to devote two hours of air time a week to issue- and candidate-focused programming for six weeks, four of which must come right before the general election.

For more information, visit the Alliance for Better Campaigns at www.bettercampaigns.org

3. Corporations should get out of politics

In February 2002, BP announced that it would halt all political contributions across the globe.

BP's chief executive, Lord John Browne said that corporations "must be particularly careful about the political process, not because it is unimportant...but because the legitimacy of the process is crucial both for society and for us as a company working in that society."

Browne is right. And other CEOs ought to follow his lead and recognize that their political contributions undermine the political process.

Resources:

The Center for Responsive Politics: *The most comprehensive site for tracing all political donations*, www.opensecrets.org

Public Campaign: *Extensive information on Clean Elections*, www.publiccampaign.org

Common Cause: *Soft Money Laundromat, lots on campaign finance reform*, www.commoncause.org

U.S. PIRG: *Some reports on money's influence on politics*, www.uspirg.org

Alliance for Better Campaigns: *Resource for Free Air Campaign*, www.bettercampaigns.org

Public Citizen: *Some reports on money's influence on politics*, www.citizen.org

Federal Elections Committee: *Government source for all election-related data*, www.fec.gov

Books:

Selling Out: How Big Corporate Money Buys Elections, Rams through Legislation, and Betrays our Democracy, Mark Green

The Buying of the President (1996/2000), Charles Lewis

Who Will Tell the People?, William Greider

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