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(PACS)

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Placing limits on PACs

How some states are dealing with the growing influence of political action committees.

Candace Romig

As Pac-Man fades from the videogame screen, PACs of another kind are having an increasing impact on state politics.

PACs are political action committees, groups of two or more individuals who have banded together to collect and distribute funds to influence political campaigns. While most public attention and concern about PACs has been focused on campaigns for federal office — Congress and the presidency — their influence on state elections is growing.

State legislators view PACs with mixed feelings.

The leader of the Democratic majority in the Washington state House of Representatives, for example, sees them

as a fact of life.

"We have PACs because people have the right to organize with others of like viewpoint," says Representative Dennis Heck.

On the other hand, PACs are opposed by Republican state Representative Mae Schmide of Connecticut who believes that by making a contribution to a com-

mittee rather than a candidate, donors suffer the loss of individual determination.

Basic to the debate is the issue of whether PACs are good or bad for the political process. A question commonly asked, for example, is to what extent

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are PACs responsible for the decline of political parties?

Representative Heck believes the proliferation of PACs is parallel to social pluralism, with self-interest as the primary concern of each group vying for a "slice of the American pie."

Common Cause, however, cites a common complaint about PACs: Too many constituencies — the poor, elderly, infirm, children and youth, for example — do not have PACs and have little or no prospects of forming them.

Ironically, Common Cause was a prime mover of the post-Watergate election reforms that helped spur the development of PACs.

According to a recent Harris survey, 62 percent of the public thinks that excessive campaign spending is a very serious problem. People distrust the influence of the wealthy, big business, and big labor in campaigns more than they do the influence of ideological PACs or candidates who contribute to their own causes.

Only three states — Alabama, South Carolina, and Wyoming — do not require candidates or PACs to file disclosure reports before elections. On the other hand, 22 states require disclosure reports at least *twice* before a general election. Meanwhile, independent commissions have been estab-

lished in 25 states to enforce campaign financing laws.

Statutory limitations on contributions vary widely among the states. Only 20 limit PAC contributions. New York, though, does not recognize PACs as legal entities.

Meanwhile, seven states — Massachusetts, Montana, New Hampshire, Ohio, Oklahoma, Tennessee, and West Virginia — prohibit the use of corporate funds to establish or administer a PAC. Maryland, Ohio, and Oregon specifically set different contribution limits for out-of-state PACs to distinguish between the influence of national and state-based groups.

Montana recently became the first state to limit the amount state legislative candidates can receive from *all* PACs in each election.

The flavor of state campaign finance reform across the nation can be sampled by examining developments in several states:

California. The Legislature recently established a Joint Legislative Committee on Election Law Reform chaired by Senator Bill Lockyer and Assemblyman John Vasconcellos. Its mission is to review state election laws and suggest improvements to ensure governmental integrity, to remove legislative candidates whenever possible from the "de-



Heck

Schmidle

meaning and distracting task of raising enormous campaign funds," and to assure the public that the Legislature is acting in its interest to restore confidence in state politics.

The committee is studying a proposal to establish expenditure limits under a public financing system. Under discussion is a threshold of \$20,000 for Assembly races and \$40,000 for Senate races to qualify for public funding. Expenditure limits would also be suspended if an opponent's campaign spending exceeded the statutorily set limit.

In addition, an innovative matching fund for public financing of campaigns is being discussed that would, it is hoped, provide an incentive to small donors to contribute to campaigns.

The total amount a candidate can receive from PACs may also be limited, with only one-third of a candidate's money coming from these sources. Caucus and political party contributions may also be limited in proposed legislation.

Connecticut. The State Elections Commission tightened contribution limits for corporate and labor PACs. Labor PAC contributions have been cut by one-half to between \$250 and \$2,500 per candidate, depending on the office, with an aggregate limit of \$50,000 per election. Corporate PAC limitations are twice those established for labor PACs. This year, legislation will be introduced to cut this limit by one-half again, and to impose limits on ideological PACs at the same level as corporate PACs.

Representative Mae Schmidle, ranking minority member of the Joint Government Administration and Election Committee, is supporting "truth-in-spending" legislation that would require PACs to notify their membership of how their money is spent. Because of

00254 Federal Law on PACs

In 1976, the U.S. Supreme Court decided in *Buckley v. Valeo* that the 1974 Federal Election Campaign Act (FECA) in limiting political campaign spending and a candidate's use of personal funds was unconstitutional because it violated First Amendment guarantees of freedom of speech and open political debate. Under a system of public financing of federal elections, however, an exception was made that allowed limits on campaign spending and the use of personal funds. Disclosure requirements and contribution limits have been upheld by the Court.

In reaction to the *Buckley* decision, PACs have proliferated. The FECA prohibits PACs from contributing more than \$1,000 per election directly to any candidate for federal office. Under the law,

they are allowed to contribute as much as \$20,000 annually to political committees of a national party or no more than \$5,000 to any other PAC per year. Under specified criteria, a PAC calling itself a "multi-candidate committee" is restricted to contributions of \$5,000 per election to any candidate for federal office, \$15,000 per year to national party political committees, and \$5,000 to other PACs. Corporations and labor unions are prohibited from making direct campaign contributions to candidates or political committees.

Although federal law pre-empts state law in regulating the role of PACs in federal elections, states often refer to the federal guidelines to determine how to regulate PACs at the state level. Such state regulations, of course, vary widely.

heavy lobbying by labor groups, this proposal previously failed to pass.

Connecticut's law is fairly restrictive on contributions by out-of-state PACs. According to Jeff Garfield, election commission director, a PAC wanting to participate in a Connecticut race must register in the state and collect "fresh" money for the election.

A bill has been introduced to institute a system of partial public financing in this year's election, but reportedly it has a chance of being adopted only if both the majority Democratic and minority Republican leadership can be persuaded to back it.

Maine. The Legislature last year enacted a bill that requires stricter reporting procedures and a maximum limit on contributions of \$5,000 per candidate per election. Critics are afraid of the effect the stricter requirements will have on small PACs.

Before the bill was passed, there were no requirements for PACs to disclose receipts or spending. According to the bill's sponsor, Democratic Representative James Handy, "PACs can exist on a year-round basis and should be responsible to report on a more regular basis than they have." He believes PACs should be regulated because they are not responsible to the public as candidates are. One unsuccessful proposal last year would have outlawed PACs altogether.

Maryland. The House Constitutional and Administrative Law Committee is working to correct loopholes in the state law that leave the definition of out-of-state PACs vague and that allow unlimited funds to be transferred between PACs. Legislation will be introduced this year to define PACs more precisely and to put them under a standard contribution limit of \$1,000 per



Lockyer

Hughes

'Independent Expenditures'

Both supporters and opponents of PACs decry the use of "independent expenditures" in state and federal political campaigns. Thus is an expense for or against a candidate without the knowledge or sanction of the candidate or the candidate's political committee. A fundamental principle in politics is that a candidate should be in charge of the campaign. Since timing and strategy are crucial, an independent expenditure can confuse and upset the process.

Corporations and labor unions rarely use independent expenditures, but when they do the efforts are often in the form of "in-kind" contributions. Still if

restrictions on PACs are perceived to be unrealistic, then those with large memberships will seek other ways to participate in campaigns — perhaps through greater use of independent expenditures.

Lack of accountability is the biggest problem with independent expenditures. A bill has been introduced in Congress to allow free response time to candidates who are the subject of campaign advertisements funded by independent expenditures on radio or television. Meanwhile, Common Cause has brought court action against the use of independent expenditures.

candidate, with a total limit of \$2,500 per election.

Minnesota. A bill to establish public financing of congressional campaigns is pending in conference committee in the Legislature. Democratic Senator Jerome M. Hughes, chairman of the Elections and Ethics Committee, believes that Minnesota's first-in-the-nation public financing of state elections has been very successful.

Montana. Last year, the state gained national attention as the first to limit the contributions that a legislative candidate can receive from all PACs. The limit is \$600 for House candidates and \$1,000 for Senate candidates; the law exempts in-kind contributions and contributions from political parties.

This measure, however, was the only successful element of a six-part package submitted to the Legislature. The other proposals, which may be introduced again this year, included:

- Identifying PACs to reflect the interests that they represent, a "truth-in-labeling" measure;
- Ensuring that all contributions be made at least six days before an election to give the news media a chance to report on campaign funding;
- Regulating "in-kind" contributions such as volunteer services by persons paid by an outside interest for their work on a campaign;
- Regulating independent expenditures; and

- Establishing public financing.

Washington. Legislation passed last year sought to target last-minute, large campaign contributions by requiring that a telephone report or a mailed report be received by the state public disclosure commission within 24 hours if more than \$500 was contributed. The law, however, has not been tested yet.

Meanwhile, the commission is examining how campaign money is actually spent. For example, it appears that spending for political consultants and media advertising increased tenfold since 1974. According to the commission's Graham Johnson, limits on contributions force a broader base of support, and he adds that campaigns with the largest number of donors win more often than those with a small number of large donors.

Washington's law to prohibit out-of-state PACs from participating in state campaigns was repealed in the 1970s.

Prospects are good this year to establish contribution limits, says House Majority Leader Dennis Heck. Although he dislikes restricting political participation in any manner, Heck thinks there is a problem in the ability of large contributors to influence legislation.

If Washington had an income tax, and if a state public campaign finance fund could be established through an income tax checkoff, then Heck might suggest modeling Washington's law to conform

PAC Contribution Limits for State Elections

Alabama	None	Mississippi	None, except for \$250 per primary for judicial candidates.
Alaska	\$1,000 per year per candidate	Missouri	None
Arizona	None	Montana	\$8,000 to governor and lieutenant governor. \$2,000 to others statewide. \$600-3,000 non-statewide. House candidates cannot accept more than \$600 and Senate candidates cannot accept more than \$1,000 from all PAC's.
Arkansas	\$1,500 per year per candidate	Nebraska	None
California	None	Nevada	None
Colorado	None	New Hampshire	None
Connecticut	If established by individuals — no limit. If established by labor organization, same as individual limit — \$50,000 aggregate limit per election. If established by corporation, twice individual limit — \$100,000 aggregate limit per election.	New Jersey	\$800 per gubernatorial candidate.
Delaware	\$1,000 per statewide candidate, per election. \$500 per non-statewide candidate.	New Mexico	None
Florida	\$3,000 per statewide candidate, per election. \$1,000 to others.	New York	Formula based on voter population.
Georgia	None	North Carolina	\$4,000 per candidate per election.
Hawaii	\$2,000 aggregate per candidate, per election.	North Dakota	None
Idaho	None	Ohio	None
Illinois	None	Oklahoma	\$5,000 to state candidates. \$1,000 to local candidates.
Indiana	None	Oregon	None
Iowa	None	Pennsylvania	None
Kansas	\$3,000 to statewide candidates per election, \$750 to others per election.	Rhode Island	None
Kentucky	None	South Carolina	None
Louisiana	None	South Dakota	None
Maine	\$5,000 per candidate per election.	Tennessee	None
Maryland	None, except for limits on out-of-state PACs to \$1,000 per candidate, \$2,500 per election.	Texas	None
Massachusetts	None	Utah	None
Michigan	\$1,700 to statewide office, \$450 to state senator, \$250 to state representative.	Vermont	\$5,000 per candidate per election.
Minnesota	Between \$150 and \$12,000 in non-election years depending on office. Limits are increased five times for contributions in election year.	Virginia	None
		Washington	None
		West Virginia	\$1,000 per candidate.
		Wisconsin	\$1,000 to statewide. \$500 to state assembly. Others: percentage of prior disbursements.
		Wyoming	No limit

Source: Common Cause

with federal regulations. In any event, he supports the "brightest sunshine laws possible" for campaign contributions from any source.

While a number of states have moved to control PACs, and others can be expected to do so in 1984, a basic question remains: Is it really possible to loosen the links that have developed between today's political campaigns and PACs?

California state Senator Bill Lockyer, co-chairman of the Joint Committee on Election Law Reform, remains skeptical: "Separating money from politics is a giant desalinization project," he says. "It's like separating the salt from the sea."

What concerns Lockyer and others is that legislating reforms of the current political campaign system may result in worse consequences than the problems that are now perceived to exist.



Photo by Lauren Brill

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CAMPAIGN CONTRIBUTIONS UNDER ILLINOIS LAW

Summary

Campaign expenditures, contributions, debts, or loans in excess of \$150 must be formally reported to designated election officials according to the Illinois Campaign Financing Act. But neither that Act nor the Governmental Ethics Act prohibits campaign contributions from any source.

Various other sections of the Illinois statutes prohibit contributions from racetracks and insurance companies. Campaign solicitations involving certain public employees are also prohibited. Federal law prohibits any political contributions or expenditures by nationally chartered banks.

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This memorandum is responsive to an inquiry concerning Illinois laws which should be kept in mind when accounting for campaign funds used in promoting or opposing a candidate for state elective office.

Contribution and Expenditure Reports

Since the passage of the 1975 Campaign Financing Act,¹ campaign contribution and expenditure reports must be filed with the State Board of Elections or the county clerk.

The Act requires state political committees to file such reports with the State Board of Elections. State political committees are defined as any candidate, group, individual, or nonprofit organization which spends or collects over \$1,000 in any 12-month period on behalf of or in opposition to any candidate for state legislative, executive, or judicial office. Also included in this definition are such groups or individuals which spend over \$3,000 in any 12-month period to promote or oppose public policy questions submitted to voters in more than one county.

Local political committees must file contribution and expenditure reports with the county clerk. Local political committees are defined as any candidate, group, individual, or nonprofit organization which spends or collects over \$1,000 in any 12-month period on behalf of or in opposition to: (a) any candidate for an elected school district or local government office, or (b) any public policy question submitted to the electors of no more than one county.

Persons or groups which serve as both local and state political committees must file reports with the county clerk and the State Board of Elections.

Candidates and political committees must record the name and address of persons making campaign contributions or expenditures in excess of \$20 along with the amount and date of such transactions. Expenditures, contributions, debts, or loans in excess of \$150 must be formally reported to the previously designated election officials.

Willful failure to file such reports or willful filing of false or incomplete reports constitutes a Class B misdemeanor punishable by up to 6 months in jail or up to 1 year probation and up to a \$1,000 fine. The attorney general and state's attorneys are authorized to prosecute such violations.

Ethics Act

The Illinois Governmental Ethics Act² which contains rules of conduct for state legislators, specifically states (in section 603-101) that its ban on the acceptance of gifts, gratuities, etc., "does not apply to . . . any political contribution in cash or kind, if such contribution is actually used for political purposes."³ The law also states that campaign receipts do not have to be included in statements of economic interest.⁴

Restrictions in Regulatory Acts

Though the Campaign Financing Act and the Ethics Act do not prohibit campaign contributions from any source, various prohibitions are found in other chapters of the Illinois statutes.

The insurance code prohibits any insurance company and its officers, stockholders, and agents doing business in this state from making any political contributions.⁵

The Horse Racing Act of 1975 prohibits any horse racing licensee or any association or organization having a 5 percent or more financial interest in horse racing from making political contributions.⁶

(Until 1978, anyone holding an Illinois liquor license which brought him 5 percent or more of his income was prohibited from contributing to any political campaign. Public Act 80-1198 repealed this prohibition effective June 30, 1978.)

Restrictions in Civil Service Provisions

There are also restrictions, usually with criminal penalties, on the solicitation of political contributions from civil service employees of many local governmental units as well as restrictions on the political activities of the officers and employees of those units.

Generally, officers and employees of the Chicago Sanitary District,⁷ the state universities,⁸ municipalities with civil service,⁹ Cook County civil service,¹⁰ park districts with a population of 150,000 or more,¹¹ and park employees' and retirement board employees annuity and benefit fund systems,¹² may not solicit political contributions from persons classified in civil service, nor may any person solicit from any officer or employee classified in civil service.

No solicitation may take place on any premises of the above named entities.

In some instances (Chicago Sanitary District, Cook County, park employees' and retirement board employees annuity and benefit fund systems) officers and employees classified under civil service are forbidden to "give or hand over to any officer or employee, or to any senator or representative or alderman, councilman, or commissioner, any money or other valuable thing on account of or to be applied to the promotion of any party or political object whatever."¹³

Two other statutes relate to contributions sought by personnel of the Illinois Department of Mines and Minerals or solicited from state policemen. The first forbids any mine inspector or officer or employee of the Illinois Department of Mines and Minerals from soliciting or accepting any political contributions from any mine operator or his agents, any coal sales company or its agents or representatives, any miner, union local or union official.¹⁴

The second forbids any person from soliciting or receiving political contributions from the superintendent of the Illinois State Police or any state policeman.¹⁵

Municipal Corporation Restrictions

The 1970 Illinois Constitution, art. VIII, sec. 1(a), prohibits units of local government, school districts, and the state of Illinois from spending public funds for private purposes.

According to the State Board of Elections, "The making of political contributions or expenditures from public funds would constitute a private purpose." The Board further cites Elsenau v. City of Chicago, 334 Ill. 78, 165 N.E. 129 (1920), where the court held that the conduct of an election campaign by the municipality for the purpose of influencing the voters is not an authorized municipal function.¹⁶

Federal Laws

National banks are prohibited from making political contributions or expenditures.¹⁷ Illinois chartered banks are prohibited from contributing to federal candidates, but there is no federal or state statute which prohibits Illinois chartered banks from making political contributions or expenditures to or on behalf of state and local candidates.

Federal law also prohibits corporations and labor unions from making contributions to or expenditures on behalf of federal candidates or political committees supporting federal candidates. There is no federal or state law prohibiting corporations or labor unions from making such contributions to state or local candidates or political committees.

Cautionary Note

Note that this is a research report intended as a guide for legislative action and is not a legal opinion. If any specific questions cause serious concern, a legal opinion should be sought from the attorney general or other legal counsel as the circumstances may warrant.

Note

1. Ill. Rev. Stat. 1977, ch. 46, secs. 9-1 et seq.
2. Ill. Rev. Stat. 1977, ch. 127, secs. 601-101 et seq.
3. Same as note 2, sec. 603-101.
4. Same as note 2, sec. 604A-102.
5. Ill. Rev. Stat. 1977, ch. 73, sec. 762.
6. Ill. Rev. Stat. 1977, ch. 8, sec. 37-24(f).
7. Ill. Rev. Stat. 1977, ch. 42, sec. 323.22.
8. Ill. Rev. Stat. 1977, ch. 24 1/2, secs. 38e and 38f.
9. Ill. Rev. Stat. 1977, ch. 24, sec. 10-1-27.
10. Ill. Rev. Stat. 1977, ch. 34, sec. 1128.
11. Ill. Rev. Stat. 1977, ch. 24 1/2, secs. 99 and 100.
12. Ill. Rev. Stat. 1977, ch. 24 1/2, sec. 136.
13. Ill. Rev. Stat. 1977, ch. 42, sec. 323.25; ch. 34, sec. 1131; and ch. 24 1/2, sec. 138.
14. Ill. Rev. Stat. 1977, ch. 96 1/2, secs. 420 and 421.
15. Ill. Rev. Stat. 1977, ch. 121, sec. 307.19.
16. State Board of Elections, "Prohibited Contributions," Richard H. Andersen, September 7, 1979.
17. 2 U.S.C.A., sec. 441 (b).

How To Fleece The PACs

BY TOM HAMBURGER

In the annals of political history, 1980 will be remembered as the year of the political action committee. An unprecedented \$14.5 million in PAC money went into the campaign kitties of congressional challengers, with impressive results: in the Senate, one single PAC, the National Conservative Political Action Committee, was credited with picking off such liberal eminences as George McGovern, Frank Church, John Culver, and Birch Bayh. This onslaught "scared the daylights out of incumbents who survived," as Elizabeth Drew puts it in her forthcoming book, *Politics and Money: The New Road to Corruption*.

Indeed, to listen to congressmen publicly decrying the high cost of campaigning and the clout of special interests, you get the impression these public servants are in imminent danger of being thrown into an unemployment line. Yet where does most PAC money go? Last year, 66 percent—

or \$55 million, according to the latest figures—went to incumbents. Most of those were Democrats.

Oh, sure, the 1980 election was a little rough; with that \$14.5 million in the bank and a bigger share of the pie than ever before, challengers were gaining on incumbents in the race for PAC money. But politicians are remarkably adaptable creatures. Instead of panicking at the new threat to their safe domain on Capitol Hill, the incumbents got smarter. They were assisted in this effort by a well-known fact of organizational life: powerful groups often seek safety rather than challenge the status quo. PACs are no exception to this rule. So while politicians still denounce those money-laden cadres in public, in private the talk these days on Capitol Hill has turned to boastful yarns about how to fleece the PACs.

One story currently making the rounds is that of a Democratic senator from North Dakota named Quentin Burdick. That's B-U-R-D-I-C-K. New fella, you ask? Actually, Burdick's been quietly serving in the Senate for 23 years. Keeps to himself, mostly. Rarely speaks on the floor. Not

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what you'd call a man with a taste for the limelight. The primary legislative skill Burdick has demonstrated during his quarter-century in the Senate is an uncanny ability to change committee assignments before he achieves any real power. In 1977, for example, Burdick was destined to become chairman of the Post Office and Civil Service Committee, but just as he prepared to assume the post, the committee was abolished. Now he sits on the Appropriations and Environment and Public Works committees, but is not ranking on either.

A rumpled, unassuming man, Quentin Burdick has quietly racked up a pro-labor, liberal record, tempered by votes against the Panama Canal treaties and every foreign aid bill. At 75 he still taps out personal letters to constituents on a beat-up manual typewriter he keeps at his desk. These letters always bear the words "self-typed" at the bottom. Near his typewriter is a small sign that reads, "Uff Da," which is a rough Norwegian equivalent of "Oy Vey."

After that fateful 1980 election, Burdick, like many other liberal incumbents in Congress, looked like a dead duck. The country had just gone overwhelmingly for Reagan. The Senate had gone Republican, and Democrats in the House had lost 33 seats. Burdick was worse off than most because in North Dakota Republicans had won veto-proof majorities in both houses of the legislature and taken nearly every statewide office.

It was too good an opportunity for the right to pass up. The dreaded National Conservative Political Action Committee (NCPAC) and a handful of other right-wing groups targeted Burdick for defeat. For NCPAC Burdick looked like child's play; it pledged \$200,000 to retire the senior senator from North Dakota.

Early polls showed Burdick with plenty of name recognition and voter approval, but this support, according to Jill Buckley, Burdick's political consultant, "was soft," much the same as Gaylord Nelson's had been the year before his defeat. Plenty of Republicans were lined up to take Burdick on; one of them was attorney Gene Knorr, a North Dakota native who worked in Washington for Charls Walker and Associates, America's premier corporate-tax lobbying firm. Knorr, who eventually received the Republican nomination, had an impressive network of political allies to draw upon (he'd worked on a Reagan tax policy task force) plus considerable experience in political campaigning. Against this, Burdick

had \$50,000 in his campaign treasury, a lackluster record, and no idea how to raise funds to run a modern, high-tech campaign. Uff Da.

Enter David Strauss, a gangling, talkative Democratic party activist from North Dakota. Strauss was skilled in everything Burdick was not: fund raising, computerized mailing, and the sundry little things you have to know to get a candidate elected in the era of the PAC. Still, the 33-year-old Strauss had his work cut out for him. Burdick had never spent more than \$100,000 on a campaign; he wrote and produced his own television spots and ran them only late at night, when the rates are the cheapest and the airwaves are filled with advertisements for motor homes and kitchen utensils ("It slices! It dices!"). With Buckley's help, Strauss persuaded Burdick that he'd have to change if he wanted to remain in the Senate. Burdick signed Strauss to run the campaign.

In March 1981 Quentin Burdick, a man who proudly quotes a magazine poll naming him one of Washington's worst-dressed lawmakers, went slick. He hired the firm of Tubby Harrison from Boston to conduct sophisticated polling and the firm of Rothstein-Buckley in Washington to develop his media strategy. "Time buyers" (experts who strategically buy TV time) and "voter contact" experts (people who get out the vote) also came on board. To pay for all this, Strauss began a list of potential contributors in a large black ledger. The list included lobbyists who came by Burdick's office, contributors to other North Dakota candidates, every business and industry witness who had appeared before Burdick's committees, and hundreds of political action committees.

Political action committees? But weren't they the enemy, the very reason Quentin Burdick, at the age of 74, was struggling to maintain his Senate seat? Well, yes. But Strauss was clever enough to see that PACs were prone to timid behavior that undercut their credibility as political bullies.

To be sure, political action committees—very few, actually—employ an ideological rating scale to decide where their money should go. Business-Industry PAC, for example, used its own rating system to determine the fiscal responsibility of potential recipients. Candidates scoring 4 percent, as Burdick did in 1982, were unlikely to receive funds. Most PACs, however, were paying less attention to philosophy. Some regularly con-

tributed to members of certain congressional committees. Some focused on candidates in close races. But the most common criterion, particularly for corporate and industry PACs, was what Strauss calls "winnability."

PACs hunger for winnability for two reasons. First, a PAC's reputation as a political force depends heavily on its ability to show results. NCPAC is probably the best example of this. If it weren't for NCPAC's success in helping to defeat several prominent liberal senators in 1980, we'd all probably look upon this organization as obscure and vaguely crackpot. (Secular humanism? Get hip.) But because NCPAC managed to show that it can wield clout, it is taken seriously, and its leader, Terry Dolan, is considered an important political figure. The problem with the PACs' need to demonstrate their ability to produce winning candidates is that they can do it more easily by backing clear winners than by challenging a George McGovern or a John Culver.

The second reason PACs emphasize winnability should be fairly obvious: if you're in business to influence the political process, you don't want to waste money on candidates who won't become part of it. A contribution to a winner is what PAC managers like to call "hundred-percent money"—100 percent of the investment goes right where it's supposed to go, into the pocket of a practicing legislator. The quest for "hundred-percent money" often leads PACs to make the safest contribution possible: a post-election donation to help pay off the campaign debt of a successful candidate. (See sidebar, page 30.)

Who are the "winnable" candidates? Anybody who has read a newspaper on election day can answer that: incumbents. Nothing in politics is certain, but as advantages go, already occupying the political office in question is undoubtedly the best; 74 percent of incumbent senators running for reelection win. Quentin Burdick's personal assets as a candidate may have been modest, but his incumbency was a political asset that, exploited properly, could prove far more valuable than charisma or ambition. He had, as a member of Congress, the franking privilege to provide free mailings, and the services of a Senate staff. And he had proven what none of his challengers had—that he could get himself elected to the Senate. This was not lost on the PACs. And the fact that this was not lost on the PACs was not lost on Strauss.

Strauss studied the spending patterns of different PACs and developed a carefully calculated pitch for each, with the unifying theme of Burdick's winnability. At first, the PACs were reluctant to help out. Some said it was too early to give. Liberal PACs voiced concern that Burdick might not get the Democratic nomination, citing rumors that North Dakota's liberal congressman, Byron Dorgan, might run. Strauss carefully wrote down all the responses in his black ledger. When a newspaper article or a poll showed Burdick looking politically strong, he would send it off to the skeptics. Unfortunately, most of the early polling told the Burdick team that their man was vulnerable. This was not the sort of news that made the PACs reach into their pockets.

To brighten up the picture, Strauss concocted a rosy newsletter called "The Burdick Report." Under the headline, "Poll Illustrates Burdick's Strength," Strauss noted in early 1982 that more than 34 percent of North Dakota's population had met the senator. (She's a small state.) He also cited a poll showing Burdick leading 64 to 26 against a potential challenger, Earl Strinden. The report did not mention Burdick's performance against the man who was to get the nomination, Gene Knorr; in the world according to *The Burdick Report*, no glass was ever half empty. As for the trepidation of the liberal PACs, this was eased when a newspaper in North Dakota reported that Dorgan would not run against Burdick. Strauss made sure the clipping was mailed to all the appropriate PAC managers, with a solicitation, of course.

All Strauss's pitches stressed an urgent need for money, even early in 1981, with the election nearly two years away; his letters said, "We are \$50,000 short of our goal and need your help." After a few weeks of messages like these, Strauss organized Burdick's first meeting with potential contributors to discuss the upcoming campaign. It was an inauspicious start. While Strauss sat cringing, Burdick drifted into a nostalgic reverie about his first campaign for the Senate: "I was the whole works. I tacked up my own posters. . . and spent only \$2,500." This was the close equivalent of John Hinckley telling the jury he felt perfectly sane. The political education of Quentin Burdick had a long way to go.

He got a good dose of learning at his next stop—the 116 Club, Capitol Hill's best-known private club. On March 25, 1981, a coterie of Washington

lobbyists gathered there to pay tribute to the little-known senator from North Dakota. What brought them there? The reception's hosts Senators Byrd, Cranston, Inouye, Moynihan, and Randolph.

Of all the weapons in the incumbency arsenal, this is the most potent: the congressional buddy system. It was easy for corporate PAC executives to turn down Quentin Burdick, but how could they turn down Robert Byrd, the Senate minority leader? To further increase the draw at subsequent celebrity receptions, Strauss added a postscript to invitations reminding lobbyists that "our photographer will be at the reception to capture you on this occasion with our special guests Senator Johnston and Senator Bradley." A photograph with Quentin Burdick may not have been worth the trip, but who could resist the souvenir from Dollar Bill? After paying the photographer, Burdick still netted more than \$50,000.

The buddy system also enabled Burdick to approach a group that ordinarily wouldn't have touched him with a ten-foot pole: the oil interests. In his distinguished Senate career, Burdick had opposed the Alaska gas pipeline and favored the tax on windfall oil profits. How would he convince the petroleum giants he was really their friend? By calling on another old colleague, Russell Long, senior senator from oil-rich Louisiana and ranking member of the Senate Finance Committee. A letter over Long's signature requesting support for Burdick's campaign went to nearly every oil and energy PAC in the country. "They gave money," one oil company PAC manager explains, "because of a sense that Long was keeping score."

But Strauss's most ingenious stunt was arranging for Burdick to win the "Mr. Energy 1982 Award." Never heard of this accolade? That's because Strauss invented it. A plaque was bought and engraved with Burdick's name, then solemnly

AFTER THE THRILL IS GONE

Political action committees employ a number of strategies to hedge their bets—favoring incumbents, donating to both sides, switching from one candidate to another when the polls flip-flop in mid-race. But the most infallible trick is to wait to fork over the money until the workings of chance have finished and one candidate or another has actually won. Why leave your man's "winnability" in doubt?

True, the Federal Election Commission frowns on contributions that a senator-elect has no apparent use for. But post-election giving is considered perfectly kosher if a candidate has a debt to retire. Consequently, candidates who are comfortably ahead in the polls have no compunction about overspending at the end of the race. It's like taking out a bank loan, with lots of collateral.

For victors, getting out of debt is relatively easy: everyone loves a winner. After he was elected in 1980, Senator Alphonse D'Amato of New York raised \$585,394 to retire his campaign debt. Representative John McCain of Arizona raised about \$30,000 to help retire his debt at a fund-raiser last April; \$156,000 of that debt was owed to McCain himself. But don't feel too sorry for him: he charged himself 12 percent interest through 1982, which *The Wall Street Journal* reports accrued to \$9,126.96.

As post-election fund-raisers go, McCain's effort was hardly among the most lucrative; Senator Chic Hecht of Nevada raised \$150,000 at a party at Trader Vic's in Washington, D.C., this past February. That was even more than what he had brought in from his post-election party featuring Wayne Newton in Las Vegas,

the city where fortunes are made and lost in an hour. The National Association of Home Builders brought two \$5,000 checks to the Washington party; one was the maximum allowable for a primary campaign and the other was the maximum for a general election. The Home Builders hadn't contributed a cent to either candidate during the campaign, but, as the association's PAC manager put it, "We are sensitive to members with debts to retire."

Overall, the Home Builders contributed \$21,179 to victorious senators in the last month of 1982, according to the most recent records on file at the FEC. The American Medical Association, which has been lobbying heavily against regulation by the Federal Trade Commission, contributed an even more impressive \$67,520 in the same period. Expect their generosity to increase in the coming months. Looking back to the 1980 elections, the Home Builders contributed \$46,600, or 9 percent of the money they spent on the 1980 Senate races, in the period between election day 1980 and June 1, 1981. The AMA contributed \$188,375, or 12.7 percent.

Post-election giving makes PACs happy because it's "one-hundred-percent money"; it makes candidates happy because it helps retire debt and perhaps put money in the bank for the next election. The only people who lose out are the losers. Take Gene Knorr, the defeated challenger to Quentin Burdick's Senate seat. He has a \$70,000 debt. "The last six months have been the most difficult I have ever faced," he says. He's managed to raise \$10,000 to \$15,000 from individual contributors but hasn't received a dime from the PACs.

—Tom Hamburger and David R. Walker

presented by some friendly North Dakota utility and coal executives (at Strauss's behest) during a well-publicized dinner. Obvious jokes about the irony of granting the award to the Senate's most somnolent member were discreetly avoided, as were inquiries as to what Burdick had ever done to deserve recognition from a sector that had traditionally regarded him as, well, negligible.

Strauss was having so much fun at this new game that he didn't want to stop. With Long as host, he raised another \$50,000 at a party at a Capitol Hill townhouse in February 1982. At a New Orleans Petroleum Club lunch in March sponsored by Long and Senator Bennett Johnston of Louisiana, Burdick raised an additional \$30,000. Then there were oil industry lunches in Dallas and Houston (worth \$30,000), jewelry dealers' dinners in New York (\$10,000), gatherings of lawyers in Minneapolis (\$3,000), and professional sporting events at the Capitol Center in Landover, Maryland (\$40,000).

Sporting events? That's right. Relaxing one evening with his ledger, Strauss recalled that a potential contributor was a Boston Celtics fan. A new fund-raising idea was born. No matter that Burdick had never been to a pro basketball game; Strauss obtained a "skysuite" at the Capitol Center and sent out invitations for \$250 a head.

An hour before the Celtics-Bullets game, Strauss drove the senator to the arena for a basketball beginner's course. Strauss pointed out the foul line, explained the three-second violation, and reviewed the teams' rosters. The contributors arrived and everyone settled in to watch the game. Burdick found that he liked basketball. And Strauss found that he had hauled in \$20,000.

Strauss was on a roll. What other special interests could he plunder? Looking over his ever-present black ledgers in the middle of 1982, he realized, with some indignation, that the defense industry PACs, with all their money, had barely contributed a dime to Burdick. Not that there was any reason they should; Burdick sits on no defense-related committees and tends to vote against big increases in military spending. Still, it just didn't seem right. So Strauss put in a call to Senator Daniel Inouye, who sits on the Appropriations Defense and Military Construction subcommittees. Inouye cordially arranged a luncheon with defense contractors on June 24 that raised \$10,000 for Burdick. The buddiesystem had struck again.

All PACKed up

And what of Gene Knorr, the fearsome challenger who in early 1981 thought himself destined to ride into office on a wave of Republican sentiment and NCPAC money? The best he could do as the tide of PAC contributions rose to Burdick's ears was accuse the senator of receiving money from "out-of-state labor unions." In fact, it was the very corporate and business PACs who were expected to flock to Knorr that provided most of Burdick's PAC money. By the end of March 1982, Knorr had raised just \$70,000; Burdick had raised \$448,000. The disparity greatly enhanced Burdick's "winnability quotient" (if you will), and helped him double that amount within four months.

The logic behind these contributions was a little convoluted. According to one corporate PAC manager, Knorr was figured to favor business 90 percent of the time and Burdick 50 percent of the time, so the PAC contributed to Burdick. This makes perfect sense once you realize that most PACs are like timid football coaches: they'll take the field goal to tie the score rather than try for the touchdown. As Knorr now puts it, with some bitterness, "A candidate can be against everything the PACs believe in, but they'll support him because he's a safe bet."

When election day came, not surprisingly, Burdick swamped Knorr. By then, the senator had raised \$1 million, half of it from PACs. That may not sound like a lot of money; in neighboring Minnesota, millionaire Mark Dayton spent a record \$7 million on his unsuccessful bid for the Senate. But in old-fashioned North Dakota, \$1 million is twice the state's previous campaign spending record, set by Senator Mark Andrews. Per capita it is the equivalent of spending \$30 million in New York state.

What's the moral of our tale? Anything the big-money challengers can do, the incumbents can likely do better. In North Dakota, as in many other places, the net result of the infusion of PAC money has been to reinforce the natural advantage the Quentin Burdicks have always had: if pushed, they will simply learn a few new fund-raising tricks. Strauss's story can't help but inspire others to even more dazzling feats of imagination in concocting fund-raising schemes. As 1984 approaches, stationery stores on Capitol Hill can expect a run on black ledgers. ■

THE BIGGEST GAME IN TOWN: PAC-MAN!

PACs win big in politics and they don't want anyone rewriting the rules of the game

It has now become the rule rather than the exception for House Members to raise campaign funds full time—before, during and after the actual campaign period. In the last eight years, the cost of House campaigns has increased sevenfold, and, as any incumbent knows, a six-figure balance in his campaign checking account this year can discourage a would-be challenger from making next year's race. Rep. James M. Shannon, Massachusetts Democrat, third-term, member of the Ways and Means Committee and as interested in reelection as most of his colleagues, recently put together a Washington fundraising event. One representative of a political action committee whose organization is no stranger to the Ways and Means Committee asked Shannon: Where do you stand on public financing of congressional elections?

Shannon bluntly told the PAC-man that he favored public financing to rid the nation of the corrosive and corrupting fundraising system now in abuse. The PAC-man was equally candid: That will make it very difficult, he told the congressman, to raise money from the PACs. It seems that the PACs,

originally formed to represent politically the interests of a particular industry or profession, have now become an economic interest unto themselves.

PACs, which now contribute nearly one out of three dollars received by congressional candidates, for the most part do

not welcome public financing of House and Senate campaigns. That would mean the loss of clout on the Hill and loss of status for many of the PAC-men who are now living like the heads of some ruling junta. All along K Street the PAC-men, with their control of campaign contribu-

Any Member who threatens the well-being of PACs by supporting a clean-up of our dismal fundraising system will risk the retaliation of the PACs. Let's hope that Jim Shannon is not alone in his willingness to stand up to them.

BY MARK SHIELDS



"ACTUALLY, I THINK IT CAME BEFORE
THE VIDEO GAME"

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tions, are recognized by maitre d's at the city's fanciest restaurants. When he calls a House office to which his PAC has contributed, the PAC-man is not put on hold. The primary, and usually exclusive, concern of the PAC is how the Member voted on the PAC's very narrow agenda: If the Member voted in subcommittee to exclude Korean coat-hangers from the United States, then the Domestic Coathanger PAC does not bother itself with how the Member votes on the minor issues of war and peace.

With their narrow, specific legislative agendas, most PACs are lousy institutional citizens. Legislative coalition building, always a delicate and difficult art, is frequently made impossible by the proliferation of single issue PACs. The arduous process of legislative and political accommodation is hindered by those same PACs. The public is not yet aware that public financing of elections would be much cheaper than the present arrangement of single interest PACs with their individual demands on the public purse or upon public policy.

PACs have become an industry, fearful of federal regulation and congressional action.

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For Information: Elise D. Garcia
Virginia Sassaman

Editorial Memorandum

MOMENTUM IS BUILDING FOR SWEEPING CHANGES
IN CONGRESSIONAL CAMPAIGN FINANCE SYSTEM

Ten years ago, the Watergate scandal revealed the corruptibility of our presidential campaign finance system. Public outrage led to sweeping changes that established a system of public financing for presidential elections.

Today, the millions of dollars political action committees (PACs) are contributing to congressional candidates -- and the effect these contributions are having on public policy -- is revealing itself as a new national scandal in American politics.

Sentiments of concern, dissatisfaction and outrage with the current system are gathering momentum among the public, political commentators and within the halls of Congress, itself. Leaders of the Clean Campaign Act (a bill cosponsored by 130 Members that was introduced in the House of Representatives this spring to reform congressional elections) have crafted a new bill which they plan to introduce soon. The new bill provides a 100% tax credit for small contributions by individuals to candidates who agree to limit their overall campaign spending. The bill also calls for a cap on the amount of money candidates for Congress can accept from PACs and provides free response time for candidates subject to "independent expenditure" attacks.

Common Cause, long active in the issue of campaign finance reform, has launched "People versus PACs", a campaign to build public awareness of the problem and support for reform legislation.

Feel free to use this memorandum, which describes the PAC problem, new legislative initiatives and the movement for reform, in any way you wish.

MOMENTUM IS BUILDING FOR SWEEPING CHANGES
IN CONGRESSIONAL CAMPAIGN FINANCE SYSTEM

The 83 million dollars that political action committees (PACs) poured into congressional campaign coffers in the 1982 election period has given the campaign finance reform movement new impetus. Public attention to the sums of money PACs are giving and the influence they are wielding in Congress has never been so pointed.

A Time Magazine article last fall concluded: "Today the power of PACs threatens to undermine America's system of representative democracy."

A Reader's Digest article recently said: "The explosive growth of political action committees raises a disturbing question: Is our Congress the best we can get. . . or the best we can buy?"

Others in the media seem to have answered that question. After the 1982 elections, Business Week wrote: "Congressional races should be financed with public funds, either fully or partially. . . Breaking the link between contributions and expected favors would help officeholders resist the demands of special interests."

In her recently published book, Politics and Money: The New Road to Corruption, political analyst Elizabeth Drew states that PACs have so distorted the congressional process that "the ability of even the best of legislators to focus on broad questions, to act independently or to lead has been seriously impaired."

Wall Street Journal Washington bureau chief Albert Hunt last year observed: "Sweeping changes are called for only in rare moments. But when the 97th Congress can legitimately be labelled 'the best money can buy' one of those moments has arrived."

The momentum for change has spread among organizations that participate in the political process. A broad coalition of national organizations --

including the American Federation of State, County and Municipal Employees (AFSCME), Common Cause, Communication Workers of America, Congress Watch, Consumer Federation of America, Friends Committee on National Legislation, Jesuit Social Ministries, the League of Women Voters, the National Council of La Raza, the National Council of Senior Citizens, and Rural America, and others-- joined together earlier this year to pledge support of fundamental reforms of the congressional campaign finance system.

Some business executives have also begun to voice concern about PACs. Irving Shapiro, recently retired chairman and chief executive of Dupont, said of the PAC system: "Common experience tells you that when there is a lot of money being passed around, bad things happen."

And the call for reform is coming increasingly from within the halls of Congress.

"The current system of financing congressional elections is a national scandal," Senator Thomas Eagleton (D-MO) says. "It virtually forces Members of Congress to go around hat in hand, begging for money from Washington-based special interest PACs."

"When these PACs give money," Republican Senate Leader Robert Dole (KS) says, "they expect something in return other than good government." It is making it much more difficult to legislate," he adds, saying: "We may reach the point when everybody is buying something with PAC money."

Representative Richard Bolling (D-MO), a leading figure in the House of Representatives until he retired last year after spending 30 years in the Congress, says of the PAC problem: "I think it is the issue. I think it is the one issue that has to be solved if we're going to have a democratic process in this country 10 years from now."

And there is even some unease with the current system in the world of

PACs. The National Asphalt Pavement Association (NAPA) organized a PAC in the 1970s. But in January of this year, NAPA dissolved its PAC because, its leaders said, NAPA did not wish to add to the growing public perception that Members' votes can be "purchased or rented."

Although the movement for change is gathering momentum, the PAC system itself remains a formidable obstacle to change that gets even more formidable with each passing election. The astronomical growth in the number of PACs and their campaign contributions is creating a Congress that is increasingly indebted to and dependent on the PACs for re-election. It is a system that favors incumbents by more than three to one.

THE PAC EXPLOSION

Two key decisions made by Congress in the wake of Watergate led directly to the PAC explosion we see today.

First, the 1974 reforms provided a system of public financing for presidential elections, but Members refused to pass a similar system for their own campaigns. With the role of private contributions drastically curbed in presidential politics, monied interests naturally turned to Congress.

1974 was also the year Congress authorized government contractors to establish PACs--a move endorsed by labor and business but strongly opposed by Common Cause--which opened the door for the explosive growth of PACs that followed.

The result? There was a sixfold increase in the number of PACs from 1976 to 1982 and a 560% increase in PAC giving. In 1974, 608 PACs gave \$12.5 million to House and Senate candidates. By 1982, 3,449 PACs had poured more than \$83 million into congressional campaigns.

Justin Dart, head of a large corporate PAC, has made clear why PAC

executives contribute so much money to congressional candidates. "Dialogue with politicians is a fine thing," he said, "but with a little money they hear you better."

Some groups that get "heard" are powerful and wealthy -- PACs representing the American Medical Association, United Auto Workers and National Association of Realtors gave a combined total well over 5½ million dollars in the 1982 congressional election cycle. But even obscure organizations -- the National Turkey Foundation, for example -- are forming PACs to be "heard" in Congress.

A paper presented to the American Political Science Association recently showed a statistical correlation between PAC contributions and votes. Common Cause studies have shown a recurrent pattern over the years. For example, Common Cause found that votes in favor of special interest group positions on health care costs, foreign trade regulation, and the quality of the air we breathe, are generally cast by Members who have received the heftiest campaign contributions from those interest groups.

"It's simply a fact of life that when big money in the form of group contributions enters the political arena, big obligations are entertained," Representative Jim Leach (R-IA) says.

INNOVATIVE REFORM MEASURE MAY DRAW MAJORITY CONSENSUS FOR CHANGE

A new bill will soon be introduced in the House of Representatives by Reps. David Obey (D-WI), Jim Leach, and a number of their colleagues. The new bill has many features of the Clean Campaign Act, but substitutes a 100% tax credit for contributions by individuals of up to \$100, in place of the matching funds proposal in the earlier bill. A House candidate's contributors would only be eligible for this new tax credit if the candidate agreed to abide by personal spending limits (of up to \$20,000) and overall expenditure

limits (of up to \$240,000) in the general election. Contributions to House candidates who do not abide by the spending limits would no longer be eligible for any tax credits.

The bill also provides an overall cap (of \$90,000) on the amount of money any candidate for the House of Representatives may accept from PACs. And, to combat the problem of so-called "independent expenditures" by PACs -- most notoriously employed by the National Conservative Political Action Committee (NCPAC) -- the House bill would provide mechanisms for free broadcast response time for candidates under "independent" PAC attack who have agreed to abide by the spending limits. (Both of these measures have also been part of the Clean Campaign Act.)

By making this new tax credit available to contributors only if the candidate in question agrees to limit both overall expenditures and personal spending on his or her campaign, the Obey-Leach bill would help curb the huge escalation of campaign costs as well as the large sums of personal wealth now being expended by some candidates on congressional contests.

In testimony before the Senate Rules Committee, conservative Senator Barry Goldwater (R-AZ) said: "Unlimited campaign spending eats at the heart of the democratic process. It feeds the growth of special interest groups created solely to channel money into political campaigns. It creates an impression that every candidate is bought and owned by the biggest givers. And it causes elected officials to devote more time to raising money than to their public duties."

To offset the cost to the Treasury of this new tax credit proposal, the bill would place limitations on tax credits that are made available under the current tax code for contributions to PACs and to candidates for office. In the last election period (1981-1982), these credits amounted to a revenue loss of \$500 million. As proposed, the new bill would be revenue neutral -- that

is, it would not result in any additional lost revenues to the Treasury.

In a "Dear Colleague" letter dated September 15 that outlines the provisions of the new proposal, Rep. Obey explained that the bill was being proposed "in an effort to build the broadest possible coalition to address our campaign finance problems. . . Those of us who are involved in this new effort," he wrote, "include the lead sponsors of HR 2490, the Clean Campaign Act, as well as others of us who have opposed the public financing approach contained in HR 2490."

"This new piece of legislation," says Common Cause President Fred Wertheimer, "has the key ingredients needed to clean up the system: incentives to stimulate small contributions by individuals, and overall spending and PAC receipt limits. But it provides these in a way that is politically palatable to a much broader constituency on the Hill. It may very well be the magnet that draws a majority in both houses," he added, "and that will allow us to put a cap on the PAC problem once and for all."

"PEOPLE VERSUS PACs"

William Brodhead, a Michigan Democrat who decided to leave Congress at a time when many considered him to be a "rising star" in Washington, says that one of the reasons the PAC system has prevailed is because "the American people haven't yet made the decision: 'Look, we've got to stop the sale of votes in Congress.'"

Ten years ago when the President of the United States defied the rule of law by firing Watergate Special Prosecutor Archibald Cox, the people spoke out. This led eventually to the resignation of a President and also to the passage of new campaign finance laws and an entirely new system for funding presidential elections. Today, during the anniversary month of the so-called "Saturday Night Massacre," Common Cause has launched a nationwide campaign

to bring public attention and public pressure to bear on the Congress of the United States to change the PAC system.

"We chose to launch our campaign at this time," Common Cause President Fred Wertheimer said, "because so much of the Watergate scandal revolved around the role of money in politics and because the hallmark of the 'massacre' was the depth of citizen outrage it aroused. Today we've got a system where legal campaign money has created a new scandal, and once again, the only sure-fire antidote is the pressure of widespread citizen concern."

Thousands of Common Cause members and non-members alike will participate in "People vs. PACs" activities that have been scheduled around the country. These include key speaking engagements by Common Cause Chairman Archibald Cox, President Fred Wertheimer and other senior officials of the organization; a North and South Dakota library-sponsored PAC contest; a "Declaration of Independence from PACs" rally at Independence Hall in Philadelphia; PAC inserts for Indiana consumers to include with their bill payments; a Second City TV comedy skit in Chicago; radio ads in Alaska and Wyoming; and an all-night truckers radio broadcast about PACs from Richmond, Virginia.

Additional "People vs. PACs" activities scheduled coast-to-coast by Common Cause to inform the public about the PAC problem and to mobilize vocal support for major changes in the congressional campaign financing system include:

- * Public forums on PACs in Arizona, California, Florida, Mississippi, New Jersey, New Mexico, North Carolina, Rhode Island, Texas, Virginia and West Virginia;
- * Major press conferences to release studies of PAC influence on state legislatures in Arizona, Montana, New Jersey, Pennsylvania and South Carolina;
- * College classes focusing on PACs at more than 500 colleges and universities nationwide, with Common Cause speakers at more than 30 of these schools;

- * Public events honoring congressional leaders in the fight for campaign finance reform, including Reps. Obey and Dan Glickman (D-OK); and
- * Common Cause activists meeting with their Representatives during the October congressional recess, distributing educational material, speaking to local service clubs, and writing letters to the editor in every congressional district in the country.

CONCLUSION

Syndicated columnist Mark Shields recently described an encounter between Rep. James Shannon (D-MA) and a PAC representative who wanted to know if Shannon supported the reforms spelled out in the Clean Campaign Act. When Shannon said yes, he did, the PAC-man let the congressman know it would be very difficult for him to raise campaign funds from PACs in the future.

"PACs have become an industry, fearful of federal regulation and congressional action," wrote Shields. "Any Member who threatens the well-being of PACs by supporting a cleanup of our dismal fundraising system will risk retaliation of the PACs."

As Common Cause Chairman Archibald Cox puts it: "It will not be an easy fight. The opponents of change count among their ranks many of the nation's most influential interest groups as well as many Members of Congress who know full well that the largest share of PAC money goes to help incumbents get re-elected."

"Formidable as these forces are, " former Watergate Special Prosecutor Cox concludes, "There is one that is even more powerful: the American people. Remember, it was in the wake of Watergate that major reforms were passed by Congress. when America took the presidency off the auction block. We must now do the same for Congress."

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For Release:

For Information:

Wednesday, January 18, 1984

Elise D. Garcia
Virginia Sassaman

A THIRD OF ALL PACS GAVE INCUMBENTS 80¢ OF EVERY \$1
THEY CONTRIBUTED TO 1982 CONGRESSIONAL CAMPAIGNS,
ACCORDING TO COMMON CAUSE ANALYSIS

Of the 3,371 PACs registered with the Federal Election Commission at the end of the 1982 congressional campaign, 1,211 -- or more than one third -- gave 80% or more of their campaign contributions to incumbents, Common Cause said in a study released today. Sixty-four of those PACs made contributions in excess of \$100,000 during that election period. (See Appendix A for a listing of those 64 PACs.)

The Common Cause study was released at a press conference announcing a major media campaign against the PAC system designed to bring public pressure on Congress to enact the Congressional Campaign Finance Reform Act (H.R. 4428).

The study also includes:

Appendix B: A breakdown of new PACs formed in 1983.

Appendix C: A comparison of 1982's top 30 PACs' giving through November of 1983 against a similar period in 1981.

Appendix D: An analysis of growth in PAC giving according to interest area from 1978 through 1982.

Appendix E: A listing of the top 10 PAC contributors from 1974 through 1982 and their total cumulative giving.

"INCUMBENT PROTECTION PACs"

According to the study, the Commodity Exchange Incorporated PAC of New York gave 99% of their total 1981-82 contributions of \$106,600 to incumbents. Six other PACs that contributed \$100,000 or more in the 1982 election gave at

least 95% of their funds to incumbents. They are:

- o National Cotton Council of America: 97% of \$123,575 went to incumbents.
- o American Society of Travel Agents: 96% of \$127,575 went to incumbents.
- o U.S. League of Savings Associations: 95% of \$331,625 went to incumbents.
- o American Trucking Association: 95% of \$314,465 went to incumbents.
- o General Electric Company: 95% of \$148,875 went to incumbents.
- o Independent Bankers of America: 95% of \$128,750 went to incumbents.

The "Incumbent Protection PAC" that contributed the largest total amount of money to incumbents in 1981-82 was the American Bankers Association PAC, which gave incumbents \$811,285 (86% of their total contributions of \$944,085).

Dairy PACs

Three "Incumbent Protection PACs" representing the dairy industry saw their investments in the 1982 campaigns of incumbents pay off in a major legislative victory in both the House and the Senate. During the 1982 election, Associated Milk Producers contributed \$794,200 to incumbents (83% of their total, \$954,450); Mid-America Dairymen Inc, contributed \$395,650 to incumbents (84% of their total, \$469,150) and Dairymen, Inc. gave incumbents \$194,650 (86% of their total, \$225,650).

On November 9, 1983, the House of Representatives voted 250-174 to reject a Conable amendment to reduce dairy price supports. The Common Cause study found that:

- o Representatives voting with the dairy industry had received an average of three times as much money from the dairy PACs as those who voted against the dairy position;
- o The 250 Representatives who voted with the dairy industry had received a total of \$1,709,210 -- an average of \$6,837 each -- from the dairy PACs during the 1980 and 1982 election cycles and during the first nine months of 1983; and
- o The 174 Representatives who voted against the dairy industry had received a total of \$392,640 -- an average of \$2,257 each -- from the dairy PACs

during the same time period.

On October 7, 1983, the Senate voted 56-37 to reject a Moynihan amendment to reduce dairy price supports. The Common Cause study found that:

- o Senators voting with the dairy industry had received an average of twice as much PAC money from the dairy PACs as those who voted against the dairy position;
- o The 56 Senators who voted with the dairy industry had received a total of \$508,550 -- an average of \$9,081 -- from the dairy PACs during their last elections and the first nine months of 1983; and
- o The 37 Senators who voted against the dairy industry had received a total of \$158,712 -- an average of \$4,289 -- from the dairy PACs during the same time period.

After the vote, Secretary of Agriculture John Block said when "the American Farm Bureau Federation, the cattlemen, pork producers and the administration all support legislation for a straight cut in the price support and it loses, it's telling you that somebody else has more chips."

NEW PACs FORMED IN 1983

In 1983, 457 new political action committees were formed, Common Cause reports. Business interests formed 173 new PACs; ideological groups, 74; labor, 40; professional associations, 27; agricultural concerns, 23; and health organizations, 14. The remaining 106 new PACs had miscellaneous or unknown interests.

Among business interests, Common Cause found that the finance and banking industry had formed the most new PACs -- a total of 59. These included PACs formed by the National Bankers Association; the Missouri Bankers Association; and individual banks in Pine Bluff, Arkansas; Los Angeles, California; Evansville, Indiana; and York, Pennsylvania.

Other PACs registered with the FEC during 1983 include the following:

- o Business PACs: Columbia Pictures; Conrail; Dunkin' Donuts; E.I. duPont; Gulf; Hiram Walker; Kansas Life Insurance Association; National Grocers Association; Pennsylvania Power and Light; Sherwin Williams; Singer Co; Spiegel; Texas Utilities Electric Company and Twentieth-Century Fox.

- o Ideological PACs: Kalamazoo Area Nuclear Freeze PAC; LAST PAC ("Let the American System Triumph") and National Black Republican Student PAC.
- o Labor PACs: Amalgamated Clothing and Textile Workers; and the Brotherhood of Locomotive Engineers.
- o Professional PACs: Baker & Hostetler (law firm) and Ford, Bacon and Davis (engineering firm).
- o Agricultural PACs: American Sugarbeet Growers Association; United Egg Association and Western Peanut Growers Association.
- o Health PACs: American Association of Blood Resources and American Association of Nurse Anesthetists.

GROWTH AMONG 1982's TOP 30 PACs: 1983 vs. 1981

The top 30 PAC contributors in the 1982 election have given federal candidates \$5,755,426 during the first 11 months of 1983 -- a 30% increase over the \$4,438,931 these PACs gave during the same time period two years ago, according to Common Cause.

Common Cause also found that these PACs had raised 27% more money through November of this year -- from \$13,689,160 in 1981 to \$17,427,271 in 1983. In addition, Common Cause found the 30 PACs had 25% more cash -- from \$11,564,511 after the first eleven months of 1981 to \$14,443,709 for the same time period in 1983. (PAC contributions to presidential candidates are responsible for a small portion of the increased giving.)

According to the study, the top five contributors to federal candidates among the 30 PACs during the first 11 months of 1983 are PACs representing:

1. National Association of Realtors, \$448,662;
2. National Association of Home Builders, \$349,008;
3. Marine Engineers Beneficial Association, \$342,892;
4. United Transportation Union, \$306,118; and
5. American Medical Association, \$304,072.

GROWTH IN PAC GIVING, 1978 TO 1982

Campaign contributions from all PACs grew by 143% between the 1978 and 1982 elections, from a total of \$35,396,675 in the 1978 election to \$86,111,749 in the 1982 race. According to the study, business PACs showed the greatest actual increase in giving -- up by \$29,326,362 between 1978 and 1982, from \$16,240,338 to \$45,566,700. Ideological PACs showed the greatest percentage increase, jumping 244% from their 1978 contributions of \$2,933,523 to \$10,096,798 in 1982. Overall labor PAC giving increased 100%, from \$10,326,135 in 1978 to \$20,662,685 contributed in 1982.

Other areas of PAC growth cited by the study include:

- o Business PACs: PACs representing the energy industry showed the greatest increase in actual giving, up by \$4,592,361 between 1978 and 1982, from \$2,764,968 to \$7,357,329; and

Aerospace industry PACs showed the greatest percentage increase in giving, up 382% from their 1978 contributions of \$472,650 to \$2,276,644 in 1982.

- o Labor PACs:

The greatest increase in giving and the highest percentage growth among labor PACs were by government unions, which increased their contributions 392% -- up from \$555,380 in 1978 to \$2,730,780 in 1982.

- o Ideological PACs: The greatest growth among ideological PACs appeared among religious/Jewish PACs, up 2,804% from \$41,350 in 1978 to \$1,200,878 in 1982.

- o Agricultural PACs: Overall agricultural giving increased 119% from \$1,802,814 in 1978 to \$3,949,989 in 1982. Milk PAC giving increased 95%, from \$942,581 in 1978 to \$1,839,085 in 1982.

- o Health PACs increased their contributions 17%, from \$3,582,962 in 1978 to \$4,202,943 in 1982.

- o Professional PACs increased their contributions by 220%, from \$510,903 in 1978 to \$1,632,634 in 1982. Lawyers PACs gave \$1,022,165 in 1982, an increase of 127% from their 1978 contributions of \$451,035.

TOP 10 PACs

The Common Cause study showed that over nearly a decade of giving, the top 10 PAC contributors have given a cumulative total of \$44,678,787 to congressional candidates. The top 10 and their total contributions from 1974 through 1982 are:

1. American Medical Association: \$9,562,296
2. United Auto Workers: \$5,951,084
3. National Association of Realtors: \$5,866,740
4. AFL-CIO: \$4,620,262
5. International Association of Machinists: \$3,888,641
6. National Automobile Dealers Association: \$3,430,968
7. Associated Milk Producers: \$3,054,064
8. United Steelworkers of America: \$2,971,537
9. National Education Association: \$2,769,699
10. Seafarers International Union: \$2,563,496.

The Common Cause study was compiled by Randy Huwa, Director of the Common Cause Campaign Finance Monitoring Project, and Research Assistant Jane Mentzinger. All figures are based on reports filed with the Federal Election Commission.

#

APPENDIX A

INCUMBENT PROTECTION PACs OF 1982:

* LARGE PACs THAT GAVE AT LEAST 80% OF THEIR CONTRIBUTIONS

TO INCUMBENT CANDIDATES FOR CONGRESS IN 1981-82

<u>PAC Sponsor</u>	<u>PAC \$\$ To Incumbents</u>	<u>Total 1981-82 Contributions</u>	<u>% To Incumbents</u>
Associated Milk Producers	\$794,200	\$954,450	83%
American Bankers Association	811,285	944,085	86
Marine Engineers	607,654	700,654	87
American Dental Association	508,350	606,850	84
Mid-America Dairymen Inc	395,650	469,150	84
U.S. League of Savings Assns	316,125	331,625	95
Natl Rural Electric Coop Assn	271,005	320,394	85
Chicago Mercantile Exchange	295,322	319,072	93
American Trucking Association	298,765	314,465	95
Winn-Dixie Stores	228,875	282,375	81
Intl Air Line Pilots Assn	262,800	280,800	94
Credit Union National Assn	208,930	241,180	87
Dairymen Inc	194,650	225,650	86
Chicago Board of Trade	198,196	210,596	94
Natl Treasury Employees Union	167,239	208,564	80
Federation of American Hospitals	172,875	200,475	86
Mortgage Bankers Association	181,050	193,118	94
Grumman Company	178,328	190,978	93
Lockheed Aircraft Corporation	149,830	184,880	81
Citicorp	149,402	181,252	82
American Hospital Association	155,000	181,150	86
U.S. Steel Corporation	151,550	177,200	86

* Contributors of \$100,000 or more in 1981-82

APPENDIX A (cont'd.)

<u>PAC Sponsor</u>	<u>PAC \$\$ To Incumbents</u>	<u>Total 1981-82 Contributions</u>	<u>% To Incumbents</u>
Pockwell International Corp	\$ 148,833	\$ 174,733	85 %
General Dynamics Corporation	155,615	171,940	91
Wheelabrator-Frye Inc	158,150	168,250	94
Bldg & Construction Trades, AFL	138,275	166,125	83
E F Hutton Group Inc	148,150	165,900	39
FMC Corporation	126,452	151,952	33
American Optometric Assn	129,530	151,830	85
Union Pacific Corporation	124,950	151,250	33
General Electric Company	141,525	148,875	95
American Podiatry Assn	132,175	141,425	93
General Telephone & Electronics	120,620	140,020	86
International Paper Company	112,691	139,471	81
Hotel, Restaurant Employee Union	122,392	139,392	88
Beneficial Management Corp	121,525	139,125	87
Summa Corp (Hughes Aircraft)	113,515	136,265	83
Westinghouse Electronic Corp	121,580	135,927	89
Natl Rural Letter Carriers Assn	114,800	131,025	88
Martin Marietta Corporation	109,000	130,500	84
Food Marketing Institute	116,102	130,477	89
Independent Bankers of America	122,700	128,750	95
Colt Industries	120,273	127,773	94
American Soc. of Travel Agents	123,025	127,575	96
Boeing Company	113,400	125,150	91
Signal Companies Incorporated	105,750	123,650	36
Natl Cotton Council of America	119,325	123,575	97
American Sugar Cane League	107,475	120,825	89

APPENDIX A (cont'd.)

<u>PAC Sponsor</u>	<u>PAC \$\$ To Incumbents</u>	<u>Total 1981-82 Contributions</u>	<u>% To Incumbents</u>
Prudential Insurance Company	\$ 101,600	\$ 119,600	85 %
American Hotel-Motel Assn	103,650	117,775	88
Raytheon Company	100,379	115,479	87
LTV Corporation	101,400	112,875	90
AVCO Corporation	104,050	112,700	92
Textron Inc	89,850	111,950	80
National Assn of Broadcasters	95,965	108,415	89
Veterans of Foreign Wars	93,350	106,650	88
Commodity Exchange Inc	106,100	106,600	99
Enserch Corporation	88,350	106,200	83
American Security Council	96,610	105,800	91
Long Island Aerospace Pol Comte	91,750	102,750	89
Kellogg Company	93,189	101,689	92
Federal Express Corporation	89,410	101,160	88
Natl Assn of Indep Insurers	88,700	100,600	88
Northrop Corporation	84,444	100,294	84

Based on reports filed with the Federal Election Commission.

APPENDIX B

POLITICAL ACTION COMMITTEES FORMED IN 1983
IDENTIFIED BY SPECIAL INTEREST AREA

<u>BUSINESS</u>	
Chemical	5
Communications	10
Energy	11
Finance & Banking	59
Food	9
Insurance	15
Metals & Mining	7
Real Estate & Construction	13
Transportation	8
<u>Other</u>	<u>36</u>
Total	173

<u>LABOR</u>	
Real Estate & Construction	14
Transportation	13
<u>Other</u>	<u>13</u>
Total	40

<u>IDEOLOGICAL</u>	
Arms Control	17
Conservative	20
Liberal	4
Political	28
<u>Other</u>	<u>5</u>
Total	74

<u>HEALTH</u>	
Total	14

<u>AGRICULTURE</u>	
Total	23

<u>PROFESSIONAL</u>	
Attorneys	14
<u>Other</u>	<u>13</u>
Total	27

<u>MISCELLANEOUS</u>	
Total	106

OVERALL TOTAL 457

APPENDIX C

PAC Contributions During the First Eleven Months of 1983
By Top 30 PAC Contributors to 1982 Congressional Campaigns

POLITICAL ACTION COMMITTEES	TOTAL FEDERAL CAMPAIGN CONTRIBUTIONS	TOTAL RECEIPTS*		CASH ON HAND*		FEDERAL CAMPAIGN CONTRIBUTIONS*	
	<u>1981/82</u>	<u>1981</u>	<u>1983</u>	<u>1981</u>	<u>1983</u>	<u>1981</u>	<u>1983</u>
1. National Association of Realtors	\$ 2,281,664	\$1,336,793	\$1,745,816	1,169,187	\$1,317,035	\$284,730	\$448,662
2. American Medical Association	1,824,530	1,043,894	1,669,166	765,156	1,003,775	272,425	304,072
3. United Auto Workers	1,821,020	787,868	845,696	1,129,724	893,631	183,445	190,480
4. Int'l. Union of Machinists & Aerospace Workers	1,543,843	561,309	678,244	489,843	509,390	161,000	232,540
5. National Education Association	1,305,355	358,425	1,034,497	207,219	757,085	157,058	288,997
6. Associated Milk Producers	1,164,925	771,413	782,191	1,546,988	1,656,219	227,925	162,059
7. National Association of Home Builders	1,136,134	318,806	576,415	152,961	330,235	140,460	349,008

* Covers the eleven month period from January 1 to November 30, 1981, and the eleven month period from January 1 to November 30, 1983, except where indicated by #,\$,@ or ¶.
All figures based on reports filed with the Federal Election Commission.

POLITICAL ACTION COMMITTEES	TOTAL FEDERAL CAMPAIGN CONTRIBUTIONS	TOTAL RECEIPTS*		CASH ON HAND*		FEDERAL CAMPAIGN CONTRIBUTIONS*	
	1981/82	1981	1983	1981	1983	1981	1983
8. American Bankers Association	\$1,028,210	\$ 437,311#	\$ 470,768#	\$ 315,389#	\$ 220,445#	\$ 266,840#	\$ 278,075#
9. National Automobile Dealers Association	996,307	305,693\$	302,356\$	290,585\$	228,280\$	85,636\$	90,425\$
10. AFL-CIO	994,075	422,973	199,663	188,788	101,298	136,800	127,710
11. Seafarers International Union	969,125	544,388	764,959	551,510	1,065,411	180,075	199,946
12. United Steel Workers	867,405	355,755	358,074	184,616	270,804	177,338	111,610
13. United Food & Commercial Workers Int'l. Union	860,545	397,906	772,526	449,157	902,397	131,510	213,703
14. Int'l. Union of Operating Engineers	838,930	362,578#	461,615#	148,383#	249,763#	234,760#	289,454#
15. Communication Workers of America	835,172	376,916	680,642	214,600	601,370	193,351	180,121

* Covers the eleven month period from January 1 to November 30, 1981, and the eleven month period from January 1 to November 30, 1983, except where indicated by #, T, @ or \$.

Covers the year from January 1 to December 31, 1981, and the eleven month period from January 1 to November 28, 1983.

\$ Covers the six month period from January 1 to June 30, 1981, and the six month period from January 1 to June 30, 1983.

All figures based on reports filed with the Federal Election Commission.

POLITICAL ACTION COMMITTEES	TOTAL FEDERAL CAMPAIGN CONTRIBUTIONS	TOTAL RECEIPTS*		CASH ON HAND*		FEDERAL CAMPAIGN CONTRIBUTIONS*	
	1981/82	1981	1983	1981	1983	1981	1983
16. Marine Engineers Beneficial Association	\$ 826,373	\$ 374,049	\$ 365,023	\$ 216,174	\$ 62,607	\$ 253,304	\$ 342,892
17. Int'l. Ladies Garment Workers Union	748,214	511,720	449,267	1,009,845	745,300	129,645	181,526
18. United Brth'd. of Carpenters & Joiners of America	729,300	372,716	399,599	245,107	257,539	150,820	192,207
19. National Rifle Association	720,506	213,462	181,978	141,537	460,711	35,613	132,120
20. Associated General Contractors	702,216	294,920	306,010	203,244	116,786	106,025	195,075
21. Nat'l. Assoc. of Life Underwriters	664,263	429,637@	588,192@	187,063@	337,247@	160,759@	224,346@
22. Brth'd. of Railway, Airline & Steamship Clerks	661,277	356,050	388,016	44,487	197,834	281,375	193,637
23. American Dental Association	654,200	402,562#	353,073#	356,534#	363,717#	75,000#	81,600#

* Covers the eleven month period from January 1 to November 30, 1981, and the eleven month period from January 1 to November 30, 1983, except where indicated by #, \$, @ or ¶.

@ Covers the ten month period from January 1 to October 31, 1981, and the ten month period from January 1 to October 31, 1983.

Covers the year from January 1 to December 31, 1981, and the eleven month period from January 1 to November 28, 1983. All figures based on reports filed with the Federal Election Commission.

POLITICAL ACTION COMMITTEES	TOTAL FEDERAL CAMPAIGN CONTRIBUTIONS	TOTAL RECEIPTS*		CASH ON HAND*		FEDERAL CAMPAIGN CONTRIBUTIONS*	
	<u>1981/82</u>	<u>1981</u>	<u>1983</u>	<u>1981</u>	<u>1983</u>	<u>1981</u>	<u>1983</u>
24.Int'l. Union of Sheet Metal Workers	\$ 648,966	\$ 354,258#	\$ 436,880#	\$ 270,912#	\$ 438,721#	\$ 82,017#	\$ 131,225#
25.United Transportation Union	630,735	568,747	693,650	353,668	405,111	180,870	306,118
26.Nat'l. Assoc. of Retired Federal Employees	591,325	2,194\$	27,687\$	14,483\$	50,900\$	2,475\$	80,250\$
27.Assoc. of Trial Lawyers of America	578,930	151,524\$	230,059\$	174,744\$	258,225\$	34,425\$	18,425\$
28.National PAC	547,500	-	400,764¶	-	194,874¶	-	47,500¶
29.Mid-American Dairymen Inc.	544,200	295,357	361,957	225,722	250,447	60,100	142,775
30.Citizens for the Republic	485,725	979,936	902,488	316,885	196,552	13,150	18,868
TOTALS:	\$ <u>28,200,970</u>	\$ <u>13,689,160</u>	\$ <u>17,427,271</u>	\$ <u>11,564,511</u>	\$ <u>14,443,709</u>	\$ <u>4,438,931</u>	\$ <u>5,755,426</u>

* Covers the eleven month period from January 1 to November 30, 1981, and the eleven month period from January 1 to November 31, 1983, except where indicated by #, ¶, @ or \$.

\$ Covers the six month period from January 1 to June 30, 1981, and the six month period from January 1 to June 30, 1983.

¶ Covers the nine month period from January 1 to September 30, 1983.

All figures based on reports filed with the Federal Election Commission.

APPENDIX D

Growth in Political Action Committee Contributions
to Candidates for Congress During the Last Three Election Cycles*

<u>SPECIAL INTEREST GROUPS</u>	<u>1977-1978 PAC \$\$</u>	<u>1979-1980 PAC \$\$</u>	<u>1981-1982 PAC \$\$</u>	<u>1978-1982 % GROWTH</u>
<u>Business</u>				
Aerospace	\$ 472,650	\$ 1,112,849	\$ 2,276,644	382 %
Auto	1,287,929	1,530,160	1,572,882	22
Chemical	550,726	1,026,877	1,321,672	140
Communication	479,188	1,239,687	1,942,081	305
Energy	2,764,968	5,950,039	7,357,329	166
Finance	1,378,153	2,953,478	5,306,181	285
Food	1,077,657	2,404,177	2,973,398	176
Forest/Paper Products	803,257	1,218,272	1,235,639	54
Insurance	917,973	1,886,194	2,688,369	193
Real Estate/ Construction	2,082,826	4,071,667	6,224,206	199
Transportation	1,118,594	1,829,590	2,688,550	140
Other	3,306,417	7,323,930	9,979,749	202
TOTAL	16,240,338	32,546,940	45,566,700	181
<u>Labor</u>				
AFL-CIO	957,915	845,206	929,294	(-3)
Auto	1,170,245	1,496,951	1,666,183	42
Education	589,923	623,445	1,570,951	166
Government	555,380	880,905	2,730,780	392
Machinists	617,923	919,843	1,553,443	151
Real Estate/ Construction	1,105,261	2,068,895	3,139,324	184
Transportation	2,855,363	3,769,985	4,508,583	58
Other	2,474,125	3,319,274	4,564,127	85
TOTAL	10,326,135	13,924,504	20,662,685	100
<u>Ideological & Other Political Groups</u>				
Congressional	-0-	262,189	1,522,217	#481
Conservative	992,159	1,462,709	1,285,710	30
Liberal	324,375	1,161,727	1,241,957	283
Political	152,967	266,161	1,380,271	802
Presidential	565,917	278,450	933,345	65
Religious/Jewish	41,350	85,000	1,200,878	2804
Other	856,755	1,112,205	2,532,420	196
TOTAL	2,933,523	4,628,441	10,096,798	244

% Growth from 1980 to 1982.

* Based on reports filed with the Federal Election Commission.

GROWTH IN PAC CONTRIBUTIONS, CONT'D.

<u>SPECIAL INTEREST GROUPS</u>	<u>1977-1978 PAC \$\$</u>	<u>1979-1980 PAC \$\$</u>	<u>1981-1982 PAC \$\$</u>	<u>1978-1982 % GROWTH</u>
<u>Health</u>				
Dentists	\$ 580,610	\$ 710,153	\$ 677,320	17 %
Doctors	2,562,637	2,154,020	2,315,949	(-10)
Other	439,715	732,163	1,209,674	175
TOTAL	3,582,962	3,596,336	4,202,943	
<u>Agriculture</u>				
Milk	942,581	1,356,537	1,839,085	95
Sugar	163,123	160,269	252,570	55
Other	697,110	1,443,794	1,858,334	167
TOTAL	1,802,814	2,960,600	3,949,989	119
<u>Professional</u>				
Attorneys	451,035	603,044	1,022,165	127
Other	59,868	235,888	610,469	920
TOTAL	510,903	838,932	1,632,634	220
<u>OVERALL TOTAL</u>	<u>\$ 35,396,675</u>	<u>\$ 58,495,753</u>	<u>\$ 86,111,749</u>	<u>143 %</u>

APPENDIX E

TOP 10 PAC CONTRIBUTORS TO CANDIDATES FOR CONGRESS
FROM 1974 THROUGH 1982

I. AMERICAN MEDICAL ASSOCIATION PACs*

1974	\$ 1,462,972
1976	1,790,879
1978	2,261,094
1980	1,872,033
<u>1982</u>	<u>2,175,318</u>
Total	9,562,296

II. UNITED AUTO WORKERS PAC

1974	\$ 835,958
1976	894,930
1978	976,245
1980	1,422,931
<u>1982</u>	<u>1,821,020</u>
Total	5,951,084

III. NATIONAL ASSOCIATION OF REALTORS PAC

1974	\$ 248,600
1976	671,525
1978	1,123,378
1980	1,541,573
<u>1982</u>	<u>2,281,664</u>
Total	5,866,740

IV. AFL-CIO PAC

1974	\$ 1,090,696
1976	935,723
1978	884,441
1980	715,327
<u>1982</u>	<u>994,075</u>
Total	4,620,262

V. INT'L UNION OF MACHINISTS & AEROSPACE WORKERS PAC

1974	\$ 446,680
1976	525,100
1978	525,410
1980	847,608
<u>1982</u>	<u>1,543,843</u>
Total	3,888,641

* Includes state affiliate PACs.

VI. NATIONAL AUTOMOBILE DEALERS ASSOCIATION PAC

1974	\$	14,000
1976		424,710
1978		964,175
1980		1,031,776
1982		996,307
Total		<u>3,430,968</u>

VII. ASSOCIATED MILK PRODUCERS PAC

1974	\$	66,750
1976		635,939
1978		446,161
1980		740,289
1982		1,164,925
Total		<u>3,054,064</u>

VIII. UNITED STEELWORKERS OF AMERICA PAC

1974	\$	357,975
1976		464,867
1978		599,930
1980		681,360
1982		867,405
Total		<u>2,971,537</u>

IX. NATIONAL EDUCATION ASSOCIATION PAC

1974	\$	227,680
1976		611,492
1978		338,987
1980		286,185
1982		1,305,355
Total		<u>2,769,699</u>

X. SEAFARERS INTERNATIONAL UNION PAC

1974	\$	198,250
1976		313,321
1978		396,052
1980		686,748
1982		969,125
Total		<u>2,563,496</u>

All figures based on reports filed with the Federal Election Commission.

THE STATE Connection

Volume 2, No. 3

Common Cause State Activities

December 1983

1983 STATE LEADERSHIP CONFERENCE

By Arlene Ziellnski
Chair, Planning Committee

The third annual State Leadership Conference, held in Washington, D.C. during the weekend of September 23 through September 25, was an extremely important and positive event for Common Cause. The Planning Committee for this conference, consisting of Ed Reinfrank, Chair, Illinois, Pat Stocker, Chair, Colorado, John Anderson, Executive Director, Arizona, Harriet McCullough, Executive Director, Illinois and me, was aided greatly by ideas from state leaders in planning a conference that addressed the needs and interests of the nearly 100 volunteers and state staff from around the country who were in attendance.

The conference officially began on Friday as state staff members gathered in the Common Cause office for a day of informal discussions and workshops dealing with such topics as steering committee/staff relations, personnel policies and legislative processes. By mid-afternoon state chairs and activists were arriving and joining the discussions or keeping appointments with their U.S. Representatives. By dinnertime, virtually all of the conference participants had arrived: 59 state activists and 38 state staff members from 43 states and

the District of Columbia. In addition, nine National Governing Board members and a number of national staff members helped swell our ranks.

The formal program began on Friday evening with the opening General Session that was highlighted by two engaging addresses. Our first speaker, Fred Wertheimer, provided an overview of current Common Cause issues and
(Continued on page 5)



Arlene Ziellnski

STATES PUT SPOTLIGHT ON PACs

By Sally McConnell
Director, Grassroots Lobbying

What do Stillwater, Oklahoma; Wyomissing, Pennsylvania; and Fergus Falls, Minnesota have in common with New York City, San Francisco, and Atlanta? In those cities and towns, and in dozens of others across the country, an amazingly varied series of events were scheduled to highlight the growing scandal of PAC influence on electoral politics. From serious forums to old-fashioned political rallies, from Sunday morning church services to a prison rodeo -- out of diverse formats and locations came a common theme: public awareness is the key to curbing PAC dominance of Congress.

Local activists, state leaders, state and national staff, and members of the National Governing Board took to the road (or, in the case of New York, to Wall Street) in the month-long campaign called "People vs. PACs".

Philadelphia activists declared their "Independence from PACs" at Independence Mall, Washington Connection volunteer Helen Sheingorn and State Chair Ray Brown launched a "People vs. PACs" contest in North Dakota, Common Cause/Indiana members mailed "Cap the PACs" brochures

with their bills and letters during the month of October, and Common Cause/New York sponsored a "Walk on Wall Street" to mark the tenth anniversary of the "Saturday Night Massacre", topped off by a speech by Common Cause Chairman Archibald Cox.

Nearly 2,000 activists participated in the campaign by visiting their representatives, writing letters-to-the-editor, speaking out on radio and television, and distributing educational material in their community. Over 20,000 magazines and ten thousand petitions and action guides were sent to activists across the country. Claire Henry, an 89 year old activist from Wyomissing, Pennsylvania, gave four speeches in two weeks. Charles Galen, an 85 year old activist from Glen Falls, New York, published a letter-to-the-editor on PACs at the same time he was being honored in the community for outstanding citizenship. Seventy-five Common Cause members met with Representative McKay in Florida during the October Congressional recess.

(Continued on page 7)

**FROM THE OFFICE OF
STATE COMMUNICATIONS...**

*Dorothy Cecelski, Director
Office of State Communications*

"The best yet" was how a number of participants described this year's State Leadership Conference, held in late September in Washington, D.C. The article on page one by Arlene Zielinski, who chaired the committee which planned the conference, describes the stimulating combination of workshops, speakers and discussion groups that resulted in an extraordinary "sense of community" among the state leaders, National Governing Board members, and state and national staff taking part in the weekend meetings. A number of resolutions dealing with state organizations were referred by the state leaders at the Conference to the Governing Board for consideration. Following Arlene's report is a summary of the actions taken by the Board on these resolutions when it met in late October.

In the last issue of The State Connection we asked for ideas from state organizations for making the month of October a period when the groundwork for significant campaign finance reform would be laid by means of public forums, media attention, and constituent lobbying focused on how PACs have increasingly tried to control the electoral system. A huge calendar of October on one of our office walls quickly became crowded as the responses came in. Sally McConnell, Director of Grassroots Lobbying, describes in the other front page article the activities that made "People vs. PACs" month an overwhelming success.

At the State Leadership Conference an impromptu session took place for the many people interested in how to promote activities at the state level on the issue of nuclear arms control. In the last issue we featured activities in Florida; in this issue, Common Cause/Colorado's imaginative ways of involving citizens in this critical issue are featured.

In many of our articles we ask you to contact your Field Representative for additional information. We're pleased to have had Lucy Comstock join our staff recently as one of the two field representatives. If you live west of the Mississippi River (or in Illinois, Mississippi, or Wisconsin), please contact Lucy for assistance. If you are in the other states east of the Mississippi, Anne Sutton can help you.

In Memoriam

Mary Rask, chair of Common Cause/New Mexico in 1978 and 1979, died recently at the age of 52, after a long illness.

A long-time activist with Common Cause, Mrs. Rask was a librarian with the public schools and with the University of New Mexico School of Medicine.



**IN RECOGNITION
OF PUBLIC SERVICE**

Nominations are currently being accepted for the 1984 Common Cause Public Service Achievement Awards program honoring citizens who have made outstanding contributions in the area of public service. Now in its fourth year, the program recognizes such individuals as public servants, citizen activists, and elected officials who, either by a single achievement or by lifelong involvement in the public sector, have demonstrated extraordinary leadership, persistence, and courage in addressing and serving public needs and interests. Recipients of the Public Service Achievement Awards in 1983 were:

1983

Msgr. Geno Baroni, Special Assistant to the Archbishop for Community Affairs; Washington, DC

Melvin Cooper, Executive Director, Alabama State Ethics Commission; Montgomery, Alabama

Arthur S. Flemming; former Chairman, U.S. Commission on Civil Rights; Chairman, Citizens' Commission on Civil Rights; Washington, DC

Jarlath Hume, Executive Director, Metrocenter YMCA; Seattle, Washington

Alice Rivlin, Director, Congressional Budget Office; Washington, DC

Ruth Weil Weill, Co-founder, Baton Rouge Chapter of "Mothers Against Drunk Driving" (M.A.D.D.); Baton Rouge, Louisiana

Seeking nominees for this year's program, letters inviting nominations have been sent to members of Common Cause, state governors, members of the U.S. Senate and House of Representatives, public officials both on the state and national levels, and to leaders of public interest, women's and minority groups.

Recipients of the award will be invited to Washington, where they will be honored at a special luncheon during the spring 1984 meeting of the National Governing Board.

Anyone wishing to nominate a candidate is encouraged to send the following information to Common Cause Public Service Achievement Awards, Common Cause, 2030 M Street, N.W., Washington, D.C. 20036:

Nominee's name, position, mailing address, and phone number;

Description of the nominee's achievement and why it is important;

Your name, address, and phone number;

Names of others who are able to describe the nominee's achievement.

The deadline for nominations for the 1984 Public Service Achievement Awards is December 31, 1983.

COLORADO MOVES ON ARMS CONTROL

By Elizabeth Moore
Nuclear Issue Coordinator CCC/Colorado

Common Cause is a potent ally, renowned for the influence of its members and the skill of its lobbyists. So there was great rejoicing here when Common Cause joined the fight for nuclear arms control. But what can a Common Cause state organization do that's meaningful on a national/international issue like this one, especially when our Washington headquarters is already so well-organized and effective? The answer is plenty -- but you have to remain flexible, ready to listen when opportunity knocks. In nearly a year of organized Colorado Common Cause (CCC) activity, we have developed these rules of thumb for organizing our program:

(1) **HELP BUILD THE NUCLEAR ARMS ALERT NETWORK (NAAN).** Whenever we have state events, or give speeches, or work with other groups on this issue, we take along our specially-designed sign-up sheets, and promptly send the names on to the Washington office. Tips learned the hard way: make your sign-up sheets large enough for easy writing, with clearly defined columns for name, street address, state, zip and telephone. Write on the sign-up sheets that all information should be printed. Otherwise you'll have a mass of handwriting that you can't decipher.

(2) **WORK WITH OTHER PEACE ORGANIZATIONS IN ANY WAY YOU CAN.** In Colorado, as in Florida and other states, the Freeze Campaign is well organized and active, with 37 groups, of which nine are in the Denver/Boulder metropolitan area. Much of our work has been with these groups.

During the past ten months, CCC has:

- prepared a sheet of tips on How to Lobby, including names, addresses and phone numbers of D.C. and Colorado offices for all members of the Colorado Congressional delegation. This sheet has been used -- with attribution to CCC -- by many groups throughout the state. It includes the name of the national defense specialist in each Congressional office, with the suggestion that letters and phone calls be targeted on that person for maximum impact.

- prepared a mailing, in February 1983, which told how each member of our delegation intended to vote on the original Freeze Resolution. Each of our eight Congressional delegates was sent a letter of query which included a copy of the Resolution, asked how he or she intended to vote, and asked each to tell us why in 200 words or less. This publication was used as a backgrounder by the local press and by Freeze groups across the state in their lobbying efforts.

- sent Legislative Alerts to CCC members in targeted Congressional districts asking for letters and phone calls to key legislators, urging them to vote for the Freeze and/or against the MX. Before sending these alerts, we check with the Common Cause lobbyists in Washington so we can suggest the most effective time for the letters and calls. We maintain in our office an up-to-date master set of Nuclear Network labels arranged by Congressional district to facilitate such mailings. Our Legislative Alerts also include news of other peace events going on in the state, a service

that we can perform for our allies in the fight for peace.

- endorsed and publicized the October 15 ENCIRCLEMENT, the biggest peace event in Colorado during 1983. Westerners who oppose the nuclear arms race encircled the Rocky Flats Weapons Plant, which makes plutonium triggers for nuclear weapons. The ENCIRCLEMENT, a 17-mile human chain 15,000 links strong, was a peaceful and legal demonstration that began with a fanfare of trumpets playing "Taps" and ended with the singing of "We Shall Overcome." CCC joined 40 other organizations in endorsing the event, which was organized to show public support for nuclear arms control.

- organized and chaired a panel of experts on "Are We Preparing for Nuclear War?" at the CCC Spring Issues Day held on April 9. Participants were: Jeff Sutherland, who served 11 years in the Air Force; Janet Carter, psychologist; Robert Fried, M.D., a family physician and head of the Denver chapter of Physicians for Social Responsibility; Marvin Davis, of the Federal Emergency Management Agency; and Craig Barnes of Creative Initiatives and founder of the Colorado Project/Common Cause.

(3) **ACT PROMPTLY WHENEVER THE NUCLEAR ARMS CONTROL ISSUE COMES TO THE FORE IN STATE OR LOCAL VOTING.**

In May of this year, Rosalie Schiff, executive director and chief lobbyist for CCC, got wind of a resolution which was going to be introduced in the Colorado legislature. Dubbed the "Star Wars Resolution" by its opponents and "Peace Through Strength" by its proponents, it called for crash development of antiballistic missiles, halting all trade and aid with Communist nations, and greatly increased U.S. spending for civil defense. CCC, working with a loose coalition of other state groups, took the lead in collecting expert written testimony against the resolution, including statements by retired Admiral Noel Gayler, retired U.S. Marine Corps Major General William T. Fairbourn, the U.S. Department of Commerce International Trade Administration, a Boulder physician and a former Air Force fighter pilot and nuclear weapons expert who is now developing nationwide computer networks in the private sector. Other members of the coalition contacted leaders in the farm movement and church organizations to solicit witnesses for personal appearances if needed during a possible floor debate in the legislature.



Elizabeth Moore

When members of the coalition appeared, ready to provide the written expert testimony to members of the House State Affairs Committee, the committee voted to kill the resolution

(Continued on page 7)

1984: A CRITICAL YEAR FOR 640,000 CITIZENS

With the deadline for ratification in August 1985, the coming year is the critical one for the D.C. Voting Rights Amendment. Consideration by state legislatures in 1984 is essential, not only for ultimate passage but for the educational groundwork it will lay. (In several of the thirteen states which have ratified the Amendment, it failed the first time it was brought to a vote.)

"Self-Determination for D.C.", the national coalition coordinating ratification efforts, has targeted twenty-eight states for action in 1984, but has put a special spotlight on three: Delaware, Pennsylvania, and Iowa. In these states, the Amendment has already passed the state House of Representatives and needs only Senate passage for ratification. In two other states -- Washington and New York -- successful votes in the House do not carry over to '84 sessions.

In a recent letter to state leaders, Archibald Cox and Fred Wertheimer encouraged state organizations to work for 1984 legislative consideration in their states, saying, "Participation by all Americans in the political process is an essential element of our democratic process."

Current information on the status of the Amendment in each state, materials to help in state lobbying efforts, and advice on strategy are all available from Mary Jane DeFrank, Coalition Director, who can be reached at the national Common Cause office.

COURT DECISIONS ON BALLOT MEASURES

Because of the enormous amounts of money that have been spent on ballot campaigns in recent years, a number of state organizations have inquired about bills to limit spending in this area. The Supreme Court has issued several rulings in this area, narrowly circumscribing the scope of permissible regulation.

In Buckley v. Valeo, 424 U.S. 1 (1976), the Court upheld limitations on individual and group contributions to candidates and to political committees supporting candidates for elective office. The Court simultaneously struck down limitations on how much money an individual or committee could spend on the candidate's behalf but independent of his or her control. While this ruling dealt with candidate campaigns and not ballot measures, it laid the groundwork for the Court's two later rulings on that subject.

In First National Bank of Boston v. Bellotti, 435 U.S. 765 (1978), the Court struck down a Massachusetts statute barring corporations from making expenditures to influence initiative campaigns except where the business of the corporation is materially affected by the ballot measure. In the Court's view, ballot measures do not offer the potential for the purchase of influence, as do candidate campaigns. Finding no threat to democratic processes, the Court struck down the law as a direct restriction on political debate.

(Continued on page 7)

PUBLIC FINANCING PASSES COURT TEST

On September 1, 1983, the Washington State Supreme Court upheld the constitutionality of a Seattle campaign financing plan by a vote of 7-2. The constitutionality of the provision was challenged after the city granted matching funds to cover municipal elections in 1979. The act provided matching city funds for eligible candidates up to \$50 in private contributions. There was no match for money provided by political action committees.

"The first trial of the new campaign law," reported the Seattle Post Intelligencer, "found that the number of contributions increased by 21 percent...The system brought more people into the political system and restrained total campaign spending."

Despite the overall success of public financing in Seattle, the city council voted to allow the measure to die in October 1982 under the state's Sunset law. The city council did, however, vote to maintain contribution limits whereby individuals and groups of individuals of ten or more can contribute up to \$350 in any campaign year.

Although public financing provisions had expired, the Court ruled on the ordinance because of plans to resubmit the provision. The Court said, "We believe a case involving the public financing and limiting of campaign expenditures for political candidates is of such public importance there is continuing and substantial public interest."

In the majority opinion supporting the public financing provision, Justice Fred Dare wrote, "Special interest political action groups are on the increase, and provided approximately 37% of the total amount that state candidates had available to spend on their campaigns in 1980. Only four of the 124 state legislators were elected without assistance from political action groups. This increase in the influence of special interest groups is also present at the local level."

[Editor's notes: A recent study by Common Cause/Michigan documents the effectiveness of that state's public financing law, which provides primary and general election funds from an income tax checkoff to gubernatorial candidates. Copies of the study are available through your field representatives.]

A number of state offices have expressed interest in obtaining a summary of campaign finance laws in other states to assist them in evaluating their campaign finance laws or in considering additional reforms in this area. Holly Wagner, State Issues Coordinator, has recently completed a summary of corporate, PAC, labor and individual contribution limits, state by state. You can obtain a copy of the summary through your field representative or Holly.]

CONFERENCE (Continued)

recent successes by state organizations around the country. As a special treat, he gave us all a sneak preview of the new television spots that will be aired during the election campaign to promote "People vs. PACs." But Archie Cox was the unquestioned high point of the evening as he reminisced about the events that led to his "Saturday Night Massacre." He gave each of us a personal and intimate glimpse of history that was, as one conference participant later wrote, "rare and fantastic".

Conference participants spent most of Saturday engaged in a variety of workshops and discussion groups. Among the topics discussed were the use of computers at the state and national level, promoting activism among members, state fundraising projects and the proposed 1984 financial plan. The second General Session featured Linda Wertheimer and Cokie Roberts of National Public Radio who shared their insights -- both fanciful and serious -- about the present Congress and prognosticated about trends to come. Ralph Neas, Executive Director of the Leadership Conference on Civil Rights, was featured as the after-dinner speaker on Saturday night. His tribute to MINK Regional Coordinator Nancy Shoninger and the Kansas Common Cause organization for their effective lobbying of Senator Dole on the Voting Rights Act, and his candid, off-the-cuff remarks about the Reagan administration were icing on a thoroughly satisfying cake.



Ed Reinfrank, Chair of CC/Illinois, leads workshop on state fundraising

On Sunday morning the conference gathered for the Plenary Session. Election of the 1984 State Leadership Conference Planning Committee was the first order of business. Elected to chair the next conference was Sandy Barnwell, who served as chair of Common Cause/Texas until last month. Other Committee members elected were: Michael Saks, Vice Chair, Rhode Island; Brad Ronco, Chair, Maine; Tom DeWall, Executive Director, Pennsylvania; and Nancy Shoninger, Regional Coordinator, MINK.

After elections, the delegates turned to the task of discussing and voting on the issues raised in the weekend's workshops and discussion groups. Among the fifteen resolutions adopted by the conference were: 1) a recommendation that a special operational fund be established to which individual states could apply for multiple year operational funding; 2) a recommendation that tax reform, regulatory reform and judicial reform be adopted by the National Governing Board as approved state issues; 3) a recommendation that state leaders be furnished with a comprehensive list of approved state issues; 4) a recommendation regarding the exploitation of micro-computer applications for Common Cause; 5) a recommenda-

tion concerning periodic self-evaluation/self-study of state organizations; 6) a recommendation that a task force be appointed to review and make recommendations on the nominating and election process of National Governing Board members; and 7) a recommendation to analyze and publicize the various structures of state boards. (A complete list of resolutions considered by the State Leadership Conference can be obtained from the Field Representatives in the Common Cause national office.)

All in all, the 1983 State Leadership Conference was a resounding success. Special words of praise were repeatedly offered for Archie's speech, Roger Craver's workshop on direct mail fundraising, and for the overall opportunity to meet and share experiences and expertise. It is clear that the 1983 State Leadership Conference achieved the objectives it was designed to achieve. Most important, it allowed all of us to partake anew in the sense of mission and the sense of community that is a hallmark of Common Cause.

Conference Follow-up

Shortly after the State Leadership Conference, Archibald Cox and Fred Wertheimer wrote to the National Governing Board and state leaders about the resolutions which had been passed by conference participants. Their memo proposed immediate implementation of a number of the resolutions, recommended Board approval of several others, and stated that a few seemed inappropriate for Board adoption at this time. At its meeting on October 29, the Board approved the approaches recommended by Cox and Wertheimer.

As a result, an amount of \$50,000 has been incorporated into the 1984 Budget, providing a State Operations Fund which will be available for states needing assistance in organizational development. The process for application to this fund is currently being worked out and guidelines for applying will be distributed to the states in the near future.

Also approved was the recommendation that judicial reform looking to merit selection of judges be added to the list of approved state issues. However, since the issues of "tax reform" and "regulatory reform" were deemed very complex and broad, the National Governing Board decided that a state organization should still clear its particular program for state tax reform in advance, and that the issue of regulatory reform should be studied by the Issue Development staff in order to determine possible options for future state involvement.

The national staff is preparing an updated, comprehensive list of approved state issues, and has already begun to distribute copies to state offices of all materials distributed by the Membership Development/Fundraising Department. The staff will also begin to assemble appropriate materials for assisting state organizations in their own self-evaluations.

Following the resolution concerning computers, Fred Wertheimer appointed a working group to explore the various aspects of micro-computer applications for Common Cause. The group which has already met and is preparing a memo and survey for state organizations, includes Nick Ucci and Becky Cloud of the national office along with Marty Silberberg, Chair, New York, and Peter Butzin, Executive Director, Florida.

ORGANIZATIONAL NOTES

A Novel Awards Program

On August 22 California Common Cause held its second annual, and already infamous, "Good-Person Flak-Catcher" Awards night.

The award is given by California Common Cause to hard-working, but under-recognized, individuals working in the "public interest" community. Over the past two years awards have gone to lobbyists, executive directors, bureaucrats, etc., who work on consumer, good government, minority, housing, and environmental issues.

Nominations are solicited from a wide variety of sources, and each year six nominees have been chosen. The awardees are informed of their selection prior to the event, but are not told who will present them with their awards. In most cases, the presenter was a "respected adversary" rather than a supporter or colleague of the recipient, which makes the presentation at least as much roast as toast. As master-of-ceremonies, California executive director Walter Zelman sparks the evening with one-liners and humorous anecdotes, making the event as funny as it is fun.

The events have been enormous successes; in the words of California Common Cause lobbyist Jim Shultz, "as important as anything we do." For at least one night each year the public interest "flak-catching" community comes together and rewards its own. For most, if not all the recipients, the plaque they get is the only one they've ever gotten.

This year's awardees included individuals representing the California Department of Housing, the Fair Political Practices Commission, the American Civil Liberties Union, the Commission on the Status of Women, California Rural Legal Assistance, and a state legislative official.

STATES CELEBRATE A DECADE

Nineteen eighty-three marks the tenth anniversary of two Common Cause state organizations, Florida and Hawaii. Fred Wertheimer, President of Common Cause, joined with both organizations this fall to share in the celebration of the events and to acknowledge the effectiveness of their presence on both the state and national levels. Common Cause/Florida held a reception following their State Governing Board meeting in October, while Common Cause/Hawaii hosted a tenth anniversary dinner in September.

The OUTS survey, "Open Up The System," was the initial step taken by both states in precipitating involvement in the traditional Common Cause issues: lobby disclosure, open meetings, open records, and campaign finance reform.

In the fall of 1973, Common Cause members in Hawaii began holding regular meetings as they prepared to participate actively in the 1974 legislative session. Their first major push involved active lobbying for an expanded sunshine law. By working closely with other organizations to support sunshine legislation, Common Cause/Hawaii began to be recognized as an effective lobbying organization on the state level. *(Continued next column)*

The organization's first major victory occurred in 1975 with the passage of a state sunshine law. With a high percentage of activists among its 1,300 members, Common Cause/Hawaii has been extremely successful in the areas of sunshine, ethics, campaign spending and lobby registration.

Common Cause/Florida also began its involvement with a strong lobbying effort to open up the system. In 1976, after several years of hard work, legislation was passed implementing much-needed open records and open meetings laws. Reapportionment has been a major issue over the years as well. Common Cause/Florida effectively drafted the Congressional reapportionment plan for Florida in 1982. This effort later helped with redistricting plans on the state level.

Other major accomplishments of Common Cause/Florida over the years include ethics and campaign finance disclosure laws, trucking deregulation, regulatory reform, and recent passage of model water quality legislation. Florida is presently very active on the national, state, and local levels in the issue of arms control and the nuclear freeze campaign. With over 12,000 members, it has helped to focus public attention on this paramount issue.

STATE LEADERS ATTEND BOARD MEETING

Eight state leaders came to Washington D.C. in October to attend the fall meeting of the National Governing Board and to participate in several activities planned around it. Five of them were in attendance as part of the Visiting State Chair Program: Charles Allbery, III, Ohio; Roger Douglas, Washington; Christopher Little, Rhode Island; Joe Stoner, New Jersey; and Charles Wollmer, Georgia. Arlene Zielinski, Vice Chair, Common Cause/New Jersey and Chair of the 1983 State Leadership Conference Planning Committee, also attended the meeting to provide a report to the Board on the 1983 State Leadership Conference. And in attendance as state leaders appointed by Archibald Cox to the Nominating Committee for the 1984 Governing Board election were Sandy Barnwell, Texas, and Marty Silberberg, New York. The Nominating Committee met immediately after the Board meeting.

The visiting state chairs arrived in Washington on Thursday to visit with Members of Congress and meet with staff members at the national office. Later in the afternoon, they joined the Program Operations staff in an informal gathering to discuss individual state programs and recent state activities, particularly those planned around the October "People vs. PACs" campaign.

On Friday they attended committee meetings throughout the day. All five were present at the Organization and State Programs Committee meeting, where they reported on their state programs and organizations. At the Saturday plenary session, each state chair had an opportunity to present a brief description of his state program to the full Board.

PACs(Continued)

Five hundred colleges were involved in "People vs. PACs" activities. For example, North Carolina Central University sponsored a Forum on PACs involving 200 students and featuring Common Cause lobbyist Jay Hedlund. Other forums and discussions took place at colleges and universities such as Georgetown, Trinity, the University of Nevada, the University of Louisville, and Pomona College. Hundreds of schools took advantage of special materials offered to help plan classes on PACs. And on their campuses, thirty former Common Cause interns set up booths and gathered signatures of people supporting reform.

The campaign was planned to coincide with the tenth anniversary of the "Saturday Night Massacre", when Watergate Special Prosecutor Archibald Cox was fired by President Nixon.

"We chose to launch our campaign at this time," Fred Wertheimer said, "because so much of the Watergate scandal revolved around the role of money in politics, and because the hallmark of the 'Massacre' was the depth of citizen outrage it aroused. Today we've got a system where legal campaign money has created a new scandal."

From coast to coast, the press covered the campaign as the result of national press releases, several state releases, and a national AP wire story. Clear channel radio stations from Hartford, Connecticut to Grand Junction, Colorado carried interviews with Common Cause spokespersons. Reporters in Denver, Minneapolis and Kansas City called for local comment. Several state organizations issued studies about the role of PAC money in state legislative races. (See article on page eight.) Many activists, like Steve Longenecker of Lancaster, Pennsylvania, gave in-depth interviews to local reporters, receiving front page coverage.

Additional "People vs. PACs" activities scheduled by Common Cause to inform the public about the PAC problem and to mobilize vocal support for major changes in the congressional campaign financing system included:

- Forums on PACs in Arizona, California, Florida, New Jersey, New Mexico, North Carolina, Rhode Island, Texas, and Virginia.
- Major press conferences to release studies of PAC influence on state legislatures in Montana, New Jersey, Pennsylvania and South Carolina;
- Public events honoring congressional leaders in the fight for campaign finance reform, including Reps. David Obey (D-WI) and Dan Glickman (D-KS);
- Town Meetings in fifteen cities sponsored by Common Cause/Minnesota.

The momentum begun during October is already growing. By mid-November, 104 Representatives had co-sponsored a new campaign finance bill which includes a limitation on PAC contributions. The Common Cause effort to increase the level of public awareness and concern about the PAC problem was particularly exciting because it involved all parts of the Common Cause community. Thanks to everyone who made it a success!

COLORADO(Continued)

without a hearing. We'll never know why, but it's reasonable to assume that our organized and carefully orchestrated expert witness strategy played a key role in the decision.

(4) TAKE A LEAD WHEN OTHER NATIONAL GROUPS LAUNCH A NEW PROJECT BUT NEED HELP IN ORGANIZING AT THE STATE AND LOCAL LEVEL. This fall CCC is cosponsoring and taking a leading role in organizing the Ground Zero Pairing Project in Denver, and perhaps in other Colorado cities as well. On the day before Thanksgiving, several hundred mayors across the U.S. mailed Community Portraits to their sister cities in the Soviet Union. CCC members living in Denver are contacting people in Krasnoyarsk, a city in the central part of the U.S.S.R. Each participating city is sending a letter of greeting from the Mayor, photographs of the city, local newspaper(s), letters from school kids and other slices of Hometown USA life. The non-partisan and non-political project has as its motto:

MAKE THE FIRST STRIKE A KNOCK ON THE DOOR!

If any CC Member would like to organize a city-to-city project, write to Dr. Earl Molander, The Pairing Project, P.O. Box 19049, Portland, OR 97219, telephone (503) 245-3519.

CONFERENCE(Continued)

Because reviews of the National Governing Board nominating and election process had taken place in 1981 and 1982, and no new problems had developed, the Board decided not to appoint another task force at this time.

Archibald Cox will be appointing a working group of members of the National Governing Board, state leaders, and state staff to look at the various structures and functions of State Boards.

For a copy of the Board-approved memo on all of the resolutions, please contact your field representative.

COURT DECISIONS(Continued)

In another case, Citizens Against Rent Control v. City of Berkeley, 454 U.S. 290 (1981), the Court struck down a city ordinance limiting to \$250 the amount an individual or company could contribute to a committee supporting or opposing a ballot measure. The Court found that this regulation was a direct restriction on the right of citizens to support concerted action on behalf of a point of view in a political debate. The Court stated that limitations on contributions to candidates were upheld in Buckley as "a single narrow exception to the rule that limits on political action [are] contrary to the First Amendment." 454 U.S. at 296-97.

The Court has recognized the importance of public disclosure of the financing of ballot measure campaigns. A number of states, including New York, are working to improve their disclosure requirements for ballot campaigns.

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DOCUMENTING SPECIAL INTERESTS IN THE STATES

The month of October is behind us, but the People vs. PACs campaign continues and with it some startling studies. Several state Common Cause organizations have been busy this fall monitoring the effect of special interests and PACs on the state level.

In 1981 Common Cause/California published "Twenty Who Gave \$10 Million," a study of the campaign contributions of California's twenty biggest special interest campaign contributors. This year an update to the study, adding in the \$6 million given by the same twenty groups in the two-year 1982 election cycle, is revealing some new trends -- some expected, some unexpected. As indicated in the new study, it appears that incumbents are doing even better with the biggest givers, as are Democrats.

"Money & Politics in Arizona," Common Cause/Arizona's recent study traces the role of PACs and special interest in the State Legislature from 1974 to 1982. Highlights of the study indicate that in a period of eight years, PAC donations to winning state candidates have increased more than 1,526%. Of Arizona's 90 state legislators, 53 received more than 50% of their 1982 campaign funds from PACs. The leading overall 1982 PAC campaign donor was the Arizona Education Association.

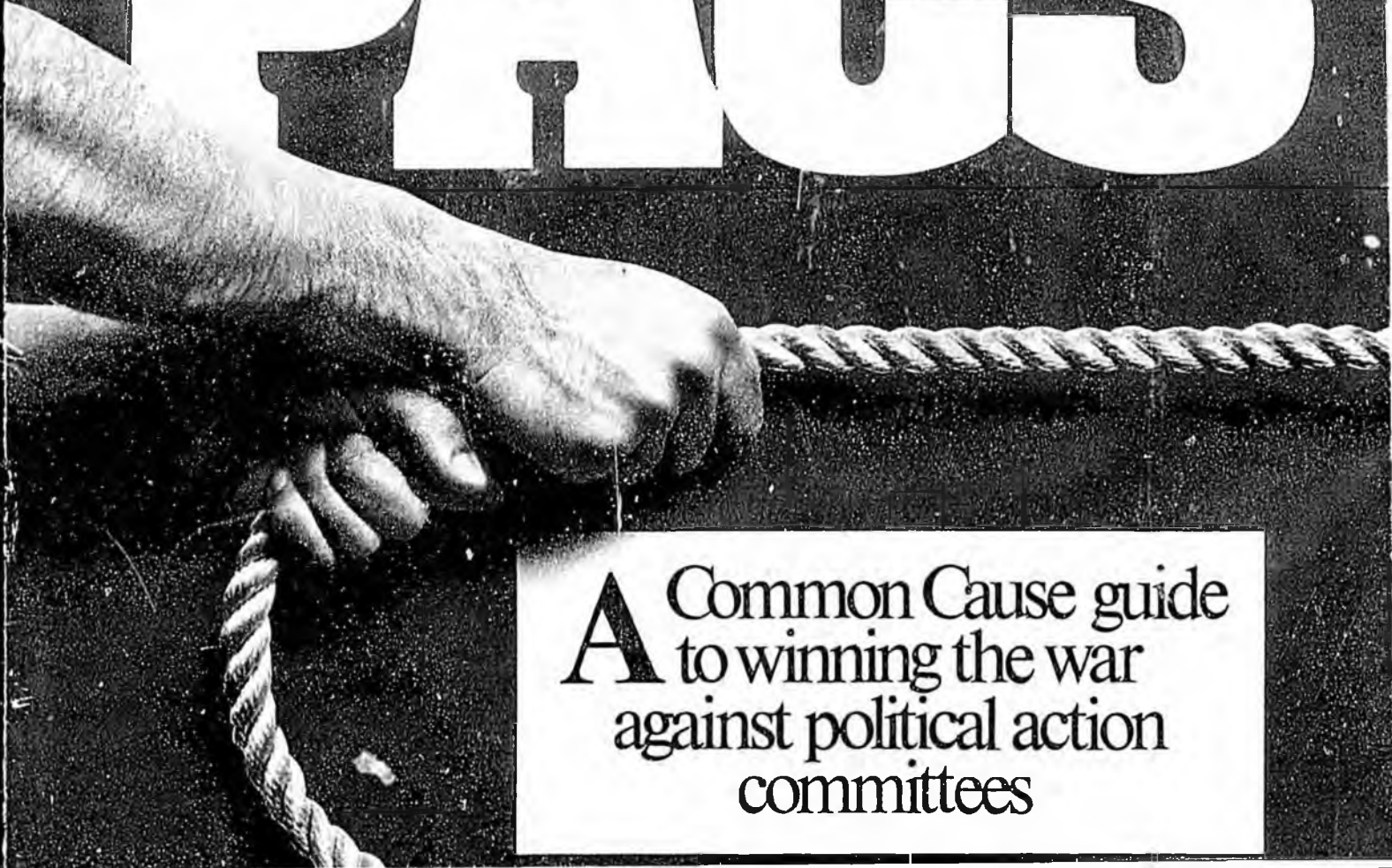
In South Carolina CC volunteers and a group of USC/Aiken political science students worked under the direction of Robert E. Bosch, Associate Professor of Political Science, to computerize the campaign finance disclosure forms filed by candidates and PACs for the 1982 South

Carolina House primaries and general elections. Before 1976 such detailed information was unavailable in any form because campaign finance disclosure was not required, so this is a first step in educating the public about the nature and size of potential problems. The study shows that the average South Carolina House member who faced opposition in both the primary and general election spent more than \$12,500 to win a job that pays \$10,000 a year. Common Cause/ South Carolina will be supporting legislation in 1984 providing for stronger disclosure laws and limits on contributions.

"Special Interest & PACs," a six-page study by Common Cause/Delaware covers the alarming growth in PACs over the past six years. Specifically, it details PAC contributions to both U.S. Representatives and members of the state General Assembly. One statistic noted on the state level: after a 14% increase in PAC contributions to state candidates from 1978 to 1980 there was a dramatic jump of 66% from 1980 to 1982.

State organizations monitoring the influence of special interests in the states will attest to the amount of time and work that goes into these studies. State offices have been provided with copies of the Arizona, South Carolina and Delaware studies. Copies of the California study may be obtained for \$5.00 from the Common Cause/California office, 636 S. Hobart Blvd., Suite 226, Los Angeles, CA 90005; additional copies of the Arizona study are available at \$3.00 from the Common Cause/Arizona office, 116 E. Roosevelt St., Phoenix, AZ 85004.

PEOPLE AGAINST PACS



A Common Cause guide
to winning the war
against political action
committees



What Is A PAC?

PAC (păc—sounds like *pack*): A major tool in the financing of congressional elections, PACs are more powerful than everyday citizens.

The main function of PACs is soliciting money from a group of individuals who share a particular interest—they may be employees of a corporation, members of a union or professional association or interest group—and funneling that money into candidates' campaigns. Under the law, PACs can give congressional candidates \$5,000 per primary election and \$5,000 per general election.

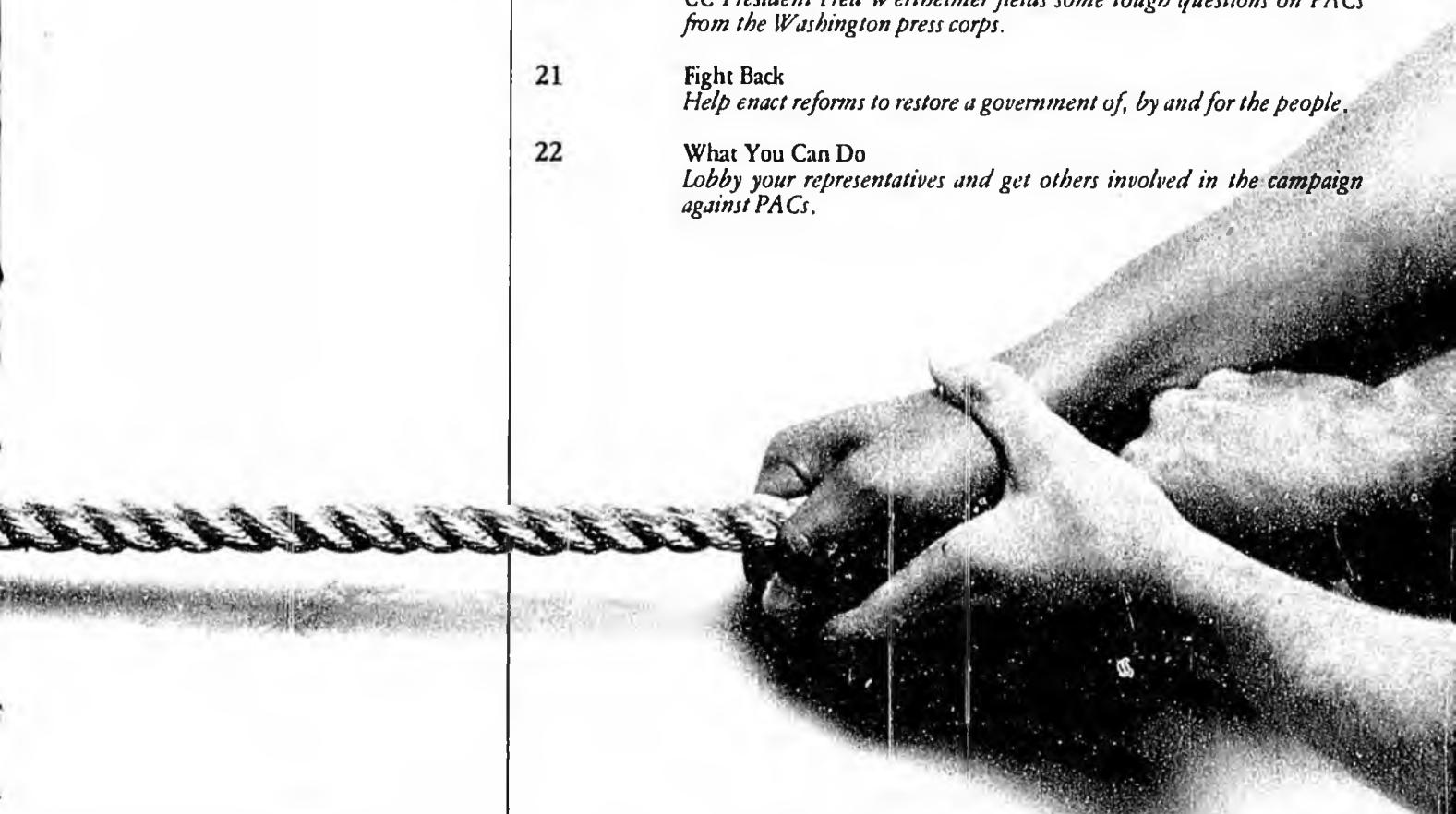
What's the danger?

These contributions are generally given by groups that are also regularly engaged in organized lobbying efforts, and they are often given with a legislative purpose in mind. PACs are buying access, and, increasingly, political issues are being decided not on their merits but out of deference to these monied interests.

PHOTO ON FRONT COVER, PP. 2, 3: JACK DOUTHITT
BACK COVER PHOTO: MAX HIRSHFELD
PHOTO P. 6: JERRY MESMER

PEOPLE AGAINST PACS

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Common Cause is a nonprofit, non-partisan citizens' lobbying organization that works to improve the way federal and state governments operate.

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This special publication was written by Patricia Theiler, Julie Kosterlitz and Jean Cobb, with contributions from Randy Huwa and Sally McCormick.

COMMON CAUSE DECLARES WAR ON POLITICAL ACTION COMMITTEES!

The choice is clear: It's the people vs. the PACs



Our form of representative government, for all its imperfections, has served us admirably for more than two centuries. But today it is under attack. Our system of financing congressional campaigns allows special interest groups to gain disproportionate access to lawmakers in order to influence decisions in Congress. As a result, increasingly political issues are being decided not on their merits but out of deference to wealthy campaign donors.

Political action committees (PACs) are conduits for special interest money from corporations, labor unions or trade associations—groups with vested interests in the legislation Congress considers.

The problem with PAC money is that it comes with strings attached. At the very least it may buy its sponsors access to a Member of Congress—access that is not always available to others. And at worst, PAC money actually influences congressional votes.

Over the years, Common Cause has kept a close watch on the relationship between PAC money received by congressional candidates and the votes these recipients cast on matters of importance to the PACs. Time and time again, the studies show a close correlation between money received and votes favorable to PAC donors.

And the problem is getting worse. It appears that every group—except the people—now has a PAC. The number of special interest PACs has skyrocketed, and the amount they are pouring into the political system has grown incredibly.

These are among the reasons Common Cause has decided to declare a "War on PACs." The campaign will bring together dozens of organizations and millions of Americans around the country who want to reclaim their right to elect leaders in a system relatively free of the taint of special interest money.

It will not be an easy fight: The opponents of change count among their ranks many of the nation's most influential interest groups as well as many Members of Congress who know full well that the largest share of PAC money goes to help incumbents get reelected.

Formidable as these forces are, however, there is one that is even more powerful: the American people. Thanks to unprecedented press coverage of the PAC menace during the 1982 campaigns, we have a rare opportunity to push this issue to the forefront of the political agenda, and to take up once again the historical battle for campaign finance reform that was begun so boldly a decade ago. Remember, it was in 1974 that major reforms were passed by Congress, when America took the presidency off the auction block. We must now do the same for Congress.

During the congressional elections last fall, PACs showed more money on candidates as never before. Now there are encouraging signs that Americans will no longer tolerate PAC tyranny. They are sending signals to Washington that alternatives are needed—and needed now.

In January, Common Cause hosted a meeting of 21 national citizens' groups that included such various interests as the American Federation of State, County, Municipal Employees (AFSCME), the Consumer Federation of America, the League of Women Voters, and Rural America. Representatives from these groups discussed problems related to PACs and possible alternatives. Sixteen of them then joined CC in signing a letter to Members of Congress stating "We . . . believe that fundamental changes in congressional campaign financing must be made. We believe that the establishment of a public financing system, coupled with overall limits on PAC contributions, is essential to restoring fairness in congressional elections and confidence in our system of selecting leaders."

Groups endorsing the letter reflected an enormous diversity, and the work of this broad-based coalition will be extremely important, because this political fight is one which will need strong grassroots support before it can be fought in Congress. Despite some opposition to PACs among Members of Congress, there are many Members who are unwilling to attack a system that clearly works to the advantage of those currently in office. As one congressional champion of campaign finance reform has said, "This campaign finance issue must be won on the outside—in the press and with the public."

The stakes in this battle are enormous, and that's why Common Cause is calling it a war—a political war. We believe that representative government—a government of the people, by the people and for the people, lies in the balance.

Unless this war is won, we are facing a government of the PACs, by the PACs and for the PACs. It is truly a choice between the people and the PACs. We believe the choice is clear. We hope that millions of Americans will join with us in a successful campaign to bring an end to the power of the PAC movement in American politics.

A handwritten signature in cursive script that reads "Fred Wertheimer".

Fred Wertheimer
President, Common Cause

A handwritten signature in cursive script that reads "Archibald Cox".

Archibald Cox
Chairman, Common Cause

A DECLARATION OF WAR

The time has come to draw the line. Political Action Committees (PACs) have put Congress on the take. And *you're* being taken for a ride. Consider your health: PAC money from doctors helped convince Congress *not* to pass a bill that would help keep your hospital costs from skyrocketing. Consider your protection from fraud: PAC money from auto dealers helped convince Congress *not* to pass a bill that would require used car dealers to tell you what's wrong with the second-hand car you're buying. Consider your savings: PAC money from the dairy industry has helped to convince Congress, year after year, *not* to make needed cuts in dairy subsidies, which artificially inflate the price of the milk, butter and cheese you buy. Consider yourself *mute*. Your voice is being *drowned out* by the ringing of PAC cash registers in Congress.

Senator Robert Dole, Chairman of the Senate tax writing committee, says, "When these PACs give money, they expect something in return other than good government." These are contributions with a purpose—a legislative purpose. And the PAC system works according to the golden rule, says former Congressman Henry Reuss: "Those who have the gold make the rules."

We're not talking about illegal campaign contributions of the sort that ten years ago created a national scandal called Watergate. We're talking about \$80 million in campaign contributions that are *perfectly legal*, creating a new national scandal corrupting our democracy. And *that* is a crime.

Unless we change our system for financing Congressional campaigns and change it soon, our representative system of government will be gone. We will be left with a government of, by and for the PACs.

We can't let that happen. We *won't* let that happen. Common Cause has declared war — a war on PACs. Ours has always been a government of, by and for the *people*. We must keep it that way. Common Cause.

Common Cause's "Declaration of War" against political action committees reached thousands when it first appeared as a political advertisement in the February 6 Sunday New York Times.

BALLOTS



4708

A GOVERNMENT OF, BY AND FOR THE PACs

How political action committees give you the best Congress money can buy

A government of the people, by the people, for the people"—this was the vision of one of our greatest leaders, Abraham Lincoln. Today Lincoln's well worn credo is being subordinated by a new threat—the threat of special interest money. An explosion of political action committees is robbing our nation of its democratic ideals and giving us a government of leaders beholden to the monied interests who make their election possible. If we do not fight to reclaim our government, we will find that it has become . . .

A Government of the PACs

A simple break-in at the headquarters of the Democratic National Committee in 1972 touched off a flood of revelations concerning President Nixon's abuses of power. Among the scandals that surfaced during Watergate were several concerning Nixon's campaign finances: Illegal campaign contributions by American Airlines to Nixon's 1972 campaign occurred while the airline was waiting to hear about a request it made to the White House for approval of a merger with another airline . . . A pledge by International Telephone and Telegraph

Corp. (ITT) to give \$400,000 to the 1972 Republican National Convention was followed by a favorable ruling by the Justice Department on alleged antitrust actions by the multinational conglomerate.

Individuals got in on the bonanza too: Nixon's campaign received more than \$1.7 million in contributions from people who were subsequently appointed as ambassadors.

In the wake of these revelations, a shocked public pressured Congress to enact sweeping campaign finance reforms. Among them was the creation of a system of public financing for presidential races, which allows major party and other serious candidates to qualify for public funds. These funds are provided by taxpayers who signal on their tax returns that they want \$1 of the taxes they owe to go toward a fund established for that purpose.

To prevent any one group or individual from lavishing large sums of money on presidential or congressional candidates, Congress also placed limits on the amounts either could contribute to any one candidate—\$1,000 for individuals and \$5,000 for groups, per candidate, per election.

And finally, Congress established the Federal Election Commission, an independent watchdog agency, to provide the first official oversight of federal campaign finance laws.

But for all its reforms, Congress left a key piece of work undone: Members failed to institute public financing for congressional campaigns. To make matters worse, in 1974 they went along with business and labor, both of which pushed forcefully to repeal a law that barred government contractors from forming political action committees (PACs). The repeal of this law helped touch off a flood of corporate and labor PACs.

Common Cause and some Members of Congress strongly opposed allowing government contractors to form PACs, and a *Washington Post* editorial at that time labeled it "another loophole to more corruption in American politics." Once Congress had repealed the prohibition, special interest money began to pour into congressional elections.

By the PACs

PACs aren't new. They were formed because corporations, labor unions and professional, trade and other membership groups are prohibited from giving money directly to federal candidates. By establishing a nominally separate fund—or PAC—these groups can contribute to federal elections. PAC contributions are generally given by groups which are also regularly engaged in organized lobbying efforts; not surprisingly contributions are often given with a

legislative purpose in mind.

In the past few years, the PAC system has reached disturbing dimensions. In the eight years since 1974, the number of PACs has increased from 608 to more than 3,400—an increase of more than 500 percent. During that same time, the amount of money spent by PACs on congressional campaigns has soared from \$12.4 million to an estimated \$80 million—a 650 percent increase.

Not only have the number of PACs and their total contributions increased dramatically; PACs now play an increasingly instrumental role in financing congressional campaigns. Consider these facts:

- In the newly seated 98th Congress, the average House winner received more than one third of his or her campaign funds from PACs, up from 28 percent in the 1978 elections.

- Winners in the Senate got 22 percent of their total campaign contributions from PACs. In the 1978 elections, Senate winners got only 13 percent of their campaign funds from PACs.

- More than 100 House Members received more than half their money from PACs.

If Members of Congress seem less than willing to shut the door on PACs, it may have something to do with the way PAC spending favors incumbents over challengers: In the 1982 elections, incumbents running for reelection received \$48 million from PACs—quadruple the

AT THE MERCY OF THE HIGHEST BIDDER

AUCTION

The Used Car Rule—

A Federal Trade Commission (FTC) rule that would have required used car dealers to disclose to buyers any known defects in their merchandise. Opposed by the car dealers.

HIGH BIDDER

The National Automobile Dealers Association PAC, which contributed more than \$1 million to Members of the last Congress.

SOLD

May 1982: Congress killed the rule. House Members who voted with the dealers received five times more in contributions from the dealers' PAC than those who voted against the dealers. Senate Members who voted with the dealers received twice as much as those who didn't.



PHOTO: JACK DOUTHITT

JACKPOT



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amount that challengers received. The gap in PAC receipts has widened since 1980, when incumbents got about two and a half times more money from PACs than did challengers.

In addition to the phenomenal growth in PAC contributions since 1974, there has been a dramatic increase in so-called "independent expenditures" by PACs. Under a 1976 Supreme Court ruling, PACs are allowed to spend unlimited money on behalf of a candidate, provided they do so independently of any political party or any candidate's official campaign organization. While the court's ruling—made at a time when very little money went toward such "independent expenditures"—was intended to protect freedom of speech, some PACs have used the ruling to circumvent limits on direct contributions to candidates. During the 1980 elections, "independent spending" by PACs totaled \$2.4 million. In the 1982 elections, such spending reached \$5.5 million.

While these expenditures comprise a small percentage of total PAC spending, they have been cause for concern, both because there are indications that some "independent" spenders aren't really independent, and because the independence of the campaigns has been construed as a license to conduct negative, mud slinging campaigns with little regard for truth or accuracy. Furthermore, unlike the parties or

candidates, these groups remain outside the electoral process. They are unaccountable and, as recent history has shown, often invest their money in irresponsible attacks on candidates.

For the PACs

One of the most tragic aspects of the PAC system is that money becomes more powerful than votes. "It is simply a fact of life that when big money in the form of group contributions enters the political arena, big obligations are entertained," says Rep. Jim Leach (R-Iowa), a supporter of reform of the campaign finance laws.

One Washington lobbyist succinctly described the difference between having a PAC and not having a PAC when it came time to lobby Congress. "I won't even take a client now," he remarked, "unless he's willing to set up a political action committee and participate in the [campaign contribution] process."

PAC contributions don't always assure victory, or even support, for a special interest. But over the years, Common Cause has documented numerous instances where congressional votes in support of a special interest position corresponded closely to campaign contributions

received from the special interest PACs. For example:

- An analysis of the 1981 House vote on dairy price supports and contributions from the three largest dairy PACs showed that representatives who voted for higher dairy price supports had received, on the average, nearly six times as much from those PACs between 1978 and 1980 as did representatives who voted against the dairy lobby on that vote.

- In March 1982, the House Health and Environment Subcommittee voted to weaken the landmark Clean Air Act. Members voting for the industry-supported bill received nearly seven times more in campaign contributions from the

AUCTION

The Professions Bill—

A bill exempting professionals, such as doctors and dentists, from the Federal Trade Commission's jurisdiction. Supported by professional associations, such as the American Medical Association (AMA).

HIGH BIDDER

PACs representing the AMA and the American Dental Association, which contributed more than \$3 million to House Members of the last Congress.

SOLD

December 1982: The House passed the bill. Members who voted with the doctors and dentists received two and a half times as much in PAC contributions from the two groups as those who didn't. (The proposal was defeated in the Senate.)



major industries affected by the bill than did the opponents of the bill.

- In May 1982, Congress voted to kill a proposed Federal Trade Commission (FTC) regulation opposed by automobile dealers. The regulation, called the "used car rule," would have required used car dealers merely to disclose to prospective buyers any known defects in their vehicles. At the time of their most recent elections, the 69 senators who voted to kill the regulation received, on the average, twice as much in campaign contributions from the automobile dealers' PAC as the 27 senators who voted against the auto dealers. The 286 House Members who voted for the dealers' position received an average of five times as much from the PAC (between 1979 and the first four months of 1982) as did the 133 House Members who voted against it.

The "coincidence" of PAC dollars and "yes" votes caused one Member of Congress to dub the defeated regulation the "used Congress rule."

- During the last two congressional elections, the PACs of the American Medical Association (AMA) and the American Dental Association (ADA) contributed more than \$3 million to House Members in the 97th Congress. In December 1982, the House voted to exempt these professionals from FTC jurisdiction. The 208 representatives who voted for the AMA-ADA-backed position received more than two and a half times as much from these PACs as the

195 Members who voted against the professions. (The proposal was defeated in the Senate.)

- In December 1982, the House passed a United Automobile Workers (UAW)-supported bill which would have required that U.S. parts and labor be used in all cars sold in the U.S. The 215 representatives who voted for the bill received \$1.3 million in PAC contributions from the UAW during the last two congressional elections, 18 times as much as the \$72,000 received by the 188 representatives who voted to defeat the bill. (The bill was defeated when the Senate failed to pass it before the end of the last Congress.)

Without reform of the political system, similar stories are likely this Congress. PACs poured millions of dollars into the 1982 congressional campaigns. The Members of Congress they helped elect will now be deciding on a number of important issues that affect all Americans.

Spending patterns in the last election raise a number of questions:

- How will PAC contributions affect decisions by Congress on major defense issues, such as the funding of the MX missile? PACs representing 12 of the 13 largest MX missile contractors doubled their contributions to current Members of Congress in 1982.

- Will PAC contributions influence congressional decisions in one of the most powerful committees in Congress, the

House Energy and Commerce Committee? That committee has jurisdiction over such major policy areas as energy, health, communications, consumer legislation and environmental laws, including the Clean Air Act. The 42 Members now serving on this committee in the 98th Congress received, on the average, more than \$100,000 each from PACs in the 1982 campaign. Energy industry PACs alone provided nearly half a million dollars to the present Members of the committee.

- Will national health policy continue to be influenced by PAC contributions from the American Medical Association (AMA)? During the last three elections, the AMA's PACs have given more than \$5.5 million to candidates running for Congress. In the 1982 elections, three quarters of the present Members of the House of Representatives received a contribution from the AMA. What kind of independent judgment will these representatives exercise when an AMA-backed position comes up for a vote in Congress?

With good reason, Americans wonder if the leaders they elect are free to represent them. As a consequence, the greatest tragedy of the PAC phenomenon lies not so much in the individual victories PACs have won as the cynicism and disenchantment they engender. Americans are beginning to realize their votes aren't as important as the checks PACs sign over to a candidate's campaign. •

AT THE MERCY OF THE HIGHEST BIDDER

AUCTION

The Dairy Amendment—

This amendment would have reduced dairy price supports. Opposed by the dairy lobby.

HIGH BIDDER

The three major dairy industry PACs, which contributed \$2 million during the 1978 and 1980 elections to the House Members of the last Congress.

SOLD

October 1981: The House defeated the amendment. Members who voted for the dairy industry received on the average six times as much money from the dairy PACs as those who didn't.



THE BIGGEST GAME IN TOWN: PAC-MAN!

PACs win big in politics and they don't want anyone rewriting the rules of the game

It has now become the rule rather than the exception for House Members to raise campaign funds full time—before, during and after the actual campaign period. In the last eight years, the cost of House campaigns has increased sevenfold, and, as any incumbent knows, a six-figure balance in his campaign checking account this year can discourage a would-be challenger from making next year's race. Rep. James M. Shannon, Massachusetts Democrat, third-termer, member of the Ways and Means Committee and as interested in reelection as most of his colleagues, recently put together a Washington fundraising event. One representative of a political action committee whose organization is no stranger to the Ways and Means Committee asked Shannon: Where do you stand on public financing of congressional elections?

Shannon bluntly told the PAC-man that he favored public financing to rid the nation of the corrosive and corrupting fundraising system now in abuse. The PAC-man was equally candid: That will make it very difficult, he told the congressman, to raise money from the PACs. It seems that the PACs, originally formed to represent politically the interests of a particular industry or profession, have now become an economic interest unto themselves.

PACs, which now contribute nearly one out of three dollars received by congressional candidates, for the most part do

BY MARK SHIELDS



"ACTUALLY, I THINK IT CAME BEFORE THE VIDEO GAME"

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not welcome public financing of House and Senate campaigns. That would mean the loss of clout on the Hill and loss of status for many of the PAC-men who are now living like the heads of some ruling junta. All along K Street the PAC-men, with their control of campaign contribu-

tions, are recognized by maitre d's at the city's fanciest restaurants. When he calls a House office to which his PAC has contributed, the PAC-man is not put on hold. The primary, and usually exclusive, concern of the PAC is how the Member voted on the PAC's very narrow agenda: If the Member voted in subcommittee to exclude Korean coat-hangers from the United States, then the Domestic Coathanger PAC does not bother itself with how the Member votes on the minor issues of war and peace.

With their narrow, specific legislative agendas, most PACs are lousy institutional citizens. Legislative coalition building, always a delicate and difficult art, is frequently made impossible by the proliferation of single issue PACs. The arduous process of legislative and political accommodation is hindered by those same PACs. The public is not yet aware that public financing of elections would be much cheaper than the present arrangement of single interest PACs with their individual demands on the public purse or upon public policy.

PACs have become an industry, fearful of federal regulation and congressional action.

Any Member who threatens the wellbeing of PACs by supporting a clean-up of our dismal fundraising system will risk the retaliation of the PACs. Let's hope that Jim Shannon is not alone in his willingness to stand up to them.

SPEAK

The public, the press and even some Members

Some Members of Congress have been willing to buck the system and call for reform of the way their campaigns are financed. They join many outraged citizens who are demanding an end to a system that undermines our basic notions of democracy.

The phenomenal increase in PAC spending and the abuses that have followed have not gone unnoticed by the press either.

Just a few weeks after the 1982 elections, an editorial in *Business Week* endorsed public financing of congressional elections and limits on the amount of PAC money a candidate can accept. "Fears are growing that the proliferation of PACs—sponsored by unions, corporations, associations and ad hoc collections of like-minded people—is balkanizing the nation's political process as swarms of candidates and well heeled special interest groups jostle to trade political favors for money," said *Business Week*.

In perhaps the most comprehensive look at the role of money in politics, *The New Yorker* magazine published a two-part series examining the PAC phenomenon. Staff writer Elizabeth Drew wrote, "The processes by which Congress is supposed to function have been distorted, if not overwhelmed, by the role of money. The ability of even the best of the legislators... to act independently... has been seriously impaired."

Other members of the media have added their voices to the debate. *The New Republic* called congressional campaign fundraising "a kind of financial arms race [in which] candidates from both parties aggressively solicit funds from PACs—who in turn solicit votes from Members of Congress." *Time* magazine published a cover story entitled "The PAC Men: Turning Cash Into Votes." Other stories appeared in *The New York Times*, *The Washington Post*, *The Los Angeles Times*, *Newsweek* and *U.S. News and World Report*.

Common Cause contributed to public awareness during the 1982 elections with the aid of a new computer system to "track the PACs." With the help of the new computer, CC was able to provide the most sophisticated analysis to date on PAC contributions to 1982 congressional candidates. Among the highlights of CC's media efforts:

- Interviews that contributed to election coverage by ABC, NBC, CBS, Canadian Broadcasting Corp., British Broadcasting Corp. and Cable News Network.

- A full page rundown on PAC contributions compiled by CC that appeared in *The Washington Post* shortly before the elections.

- An Associated Press story that described CC as "the recognized leader in the private sector for watchdogging election finances."

This Congress, CC will continue to provide up to the minute information on the role money is playing in Congress. By comparing PAC contributions with congressional votes on key pieces of legislation, Common Cause hopes to provide even more dramatic and timely evidence that PAC money does influence votes.

Along with public support for change, some Members of Congress are beginning to speak out about the pressures and problems of PAC money in politics. There's what some of them have had to say:



Sen. Robert Dole
(R-Kan.)

When these political action committees give money they expect something in return other than good government. It is making it much more difficult to legislate. We may reach a point where everybody is buying something with PAC money. We cannot get anything done.



Sen. Thomas Eagleton
(D-Mo.)

It virtually forces Members of Congress to go hat in hand, begging for money from special interests whose sole purpose for existing is to seek a *quid pro quo*. The scandal is taking place every day and will continue to do so while the present system is in place.



Rep. Barber Conable
(R-N.Y.)

I'm scared. These new PACs not only buy incumbents but

NG OUT

of Congress are saying enough is enough.

affect legislation. It's the same crummy business as judges putting the arm on lawyers who appear before them to finance their next campaign.



Rep. Thomas Downey
(D-N.Y.)

You can't buy a congressman for \$5,000. But you can buy his vote. It's done on a regular basis.



Rep. Les Aspin
(D-Wis.)

What you are talking about here is changing votes at the margin. Of course, there are certain issues where people are going to vote for something, no matter what. But then there

are undecided votes at the margin that can be tipped by PACs. Also, there are various degrees of being for a bill—cosponsoring it, or fighting for it in committee, in debate, on the floor, or in a leadership role on the floor. PAC funds can determine a Member's intensity as well as position.



Rep. David Obey
(D-Wis.)

When a large number of groups which have made substantial contributions to Members are all lobbying on the same side of an issue, the pressure generated from these aggregate contributions is enormous and warps the process. It is as if they made a single, extremely large contribution.



Rep. Jim Leach
(R-Iowa)

I can remember a Member coming up to me from an urban area and asking how to vote on a particular milk [issue] based upon what the milk lobby wanted, because he had received milk [lobby] funds. I thought that was fairly ridiculous. It wasn't in his constituents' interest, and he didn't even look at the merits of the bill. He looked at what his obligations were.



Sen. William Proxmire
(D-Wis.)

PAC money is not free; it has strings attached. PAC money represents specific eco-

nomie or ideological interests. Campaign contributions help open doors, help to advance special interest rather than the public interest.



Sen. Daniel Inouye
(D-Hawaii)

The fact remains that when someone gives you a thousand or two thousand dollars, he expects that door to be open to him—and he gets a little preferential treatment. . . . You have 10 people vying for one hour. A staff member will say, "I think you ought to see Mr. So-And-So and Mr. So-And-So. We'll send letters to the others." Often that decision depends on the level of support.



Rep. W. Henson Moore
(*R-La.*)

If he [the Member of Congress] knows you aren't politically active, he may be polite to you, but if you really want to see him perk up and be interested in what you say, let him know you represent a political action committee that is going to be active in the next election.



Rep. Dan Glickman
(*D-Kan.*)

It wouldn't be a problem if everyone had a PAC, but everyone doesn't. There aren't PACs on every side of the issue. Public interest is less well addressed than it used to be when political parties had more influence in congressional races. As [Sen.] Bob Dole says, there is no 'Poor PAC.' Likewise there isn't a 'Used Car Buyers PAC,' a 'Milk Drinkers PAC,' or a 'Sick PAC.'



House Minority Leader Robert Michel (*R-Ill.*)

(On legislation setting levels for the farm industry's price supports): The dairy industry spreads an awful lot of money around and that gets reflected in votes out here, I'm afraid.



Sen. Dale Bumpers
(*D-Ark.*)

Money is the number one political problem our country is facing. . . . You can't have a sensible debate about how much is enough for defense when those PACs are contributing so much.



Rep. Barney Frank
(*D-Mass.*)

We are the only human beings in the world who are expected to take thousands of dollars from perfect strangers on im-

portant matters and not be affected by it.



Rep. Tim Wirth
(*D-Colo.*)

PACs are a scandal waiting to happen.

A PAC PAVES THE WAY FOR CHANGE

The public, Members of Congress and the press aren't the only ones calling for an end to the PAC system. At least one PAC, sponsored by the National Asphalt Pavement Association, has also said enough is enough.

The road makers' PAC gave \$66,770 during the last two elections and was one of the first construction industry PACs formed in the '70s. In January, it closed down.

Among the reasons given by the group's president in a recent letter to Members of Congress: the "ludicrous" amount of money being spent on elections; the growing public perception that a Member's vote can be "purchased or rented"; and the belief that closing down its PAC won't lessen the group's ability to represent its interests before Congress.

By taking this unusual step, the group says it hopes "to encourage the Congress to examine the present trends in the financing of campaigns and to prescribe remedies before the 1984 elections."

IT'S TIME TO CLEAN UP THE SYSTEM



A

Republican Rep. Jim Leach of Iowa says PAC contributions are threatening the democratic process.

sort of domestic SALT agreement between big business and big labor is how Rep. Jim Leach describes it—"an agreement which is likely to be disliked by each but which should work to the stark advantage of the individual citizen and taxpayer."

The Iowa Republican is talking about the Campaign Finance Reform Act introduced in the last Congress by Reps. Mike Synar (D-Okla.), Dan Glickman (D-Kan.)

and himself, that would place a cap on the total amount of political action committee (PAC) money a candidate can accept.

Citing the sixfold increase in total PAC giving to congressional campaigns since 1974, Leach predicts that "it would appear that both labor and business PACs are girding for future Armageddons—political campaigns that in quantum magnitude are likely to be more expensive than Americans have ever experienced."

Why should this be of concern to Americans? "It's simply a fact of life that when big money in the form of group contributions enters the political arena, big obligations are entertained," Leach explains.

As the number of PACs has swelled, so too have campaign chests, with many congressional candidates spending as much as six-figure sums on a race. Leach fears the new mega-dollar campaigns are forcing candidates to depend ever more heavily on PACs, to the detriment of the small individual contributor.

PACs are limited by law to contributions no greater than \$5,000 for a primary and \$5,000 for a general election, and Leach thinks that law doesn't go far enough. His law would stipulate that candidates for the House could receive no more than \$75,000 from all PACs, while the limit on PAC money Senate candidates could accept would be based on a formula taking into account the size of the state.

Even this, Leach agrees, is only a short-term solution. The long-term solution, he says, is an end to PAC contributions altogether and a government-sponsored public financing system similar to that currently used in presidential campaigns.

Leach's concern about the influence of money in politics dates back to the days of Watergate. "I was a candidate for Congress in 1974, the year of the discussion of Watergate in the American political process," he says. Like others in the congressional "Class of '74," Leach was appalled by the scandals resulting from the illegal campaign contributions to Nixon's presidential re-election committee and eager to see the system reformed.

Today, Leach is just as appalled by the power wielded by legal PAC contributions to congressional campaigns. But the problem, he believes, goes far beyond the serious problem of influence-buying to the heart of the democratic political process. For example, he says that as the role of the political action committee increases, the role of the political party is being eclipsed. "We sometimes forget what parties do. They determine candidates and platforms, and as they get smaller, fewer and fewer people determine both those issues."

The end result, he says, is increased polarization and "a growing tendency for the Republican Party to be controlled by more conservative elements, the Democratic Party, by more liberal elements. The great middle of America is becoming unrepresented. We're seeing a tendency towards single issue politics, and ideological rigidity in both parties."

In an interview with Julie Kosterlitz and Florence Graves, Leach explains in depth why he considers PACs such a threat to the American political process and what you can do about it.

Why are you so concerned about campaign finance reform?

I think what is at stake is the future of the democratic process. Democracy im-

plies one man, one vote, where the input is local. To suddenly have power brokers from outside of the states and congressional districts affecting the outcome of campaigns is very much against the tradition of American democracy.

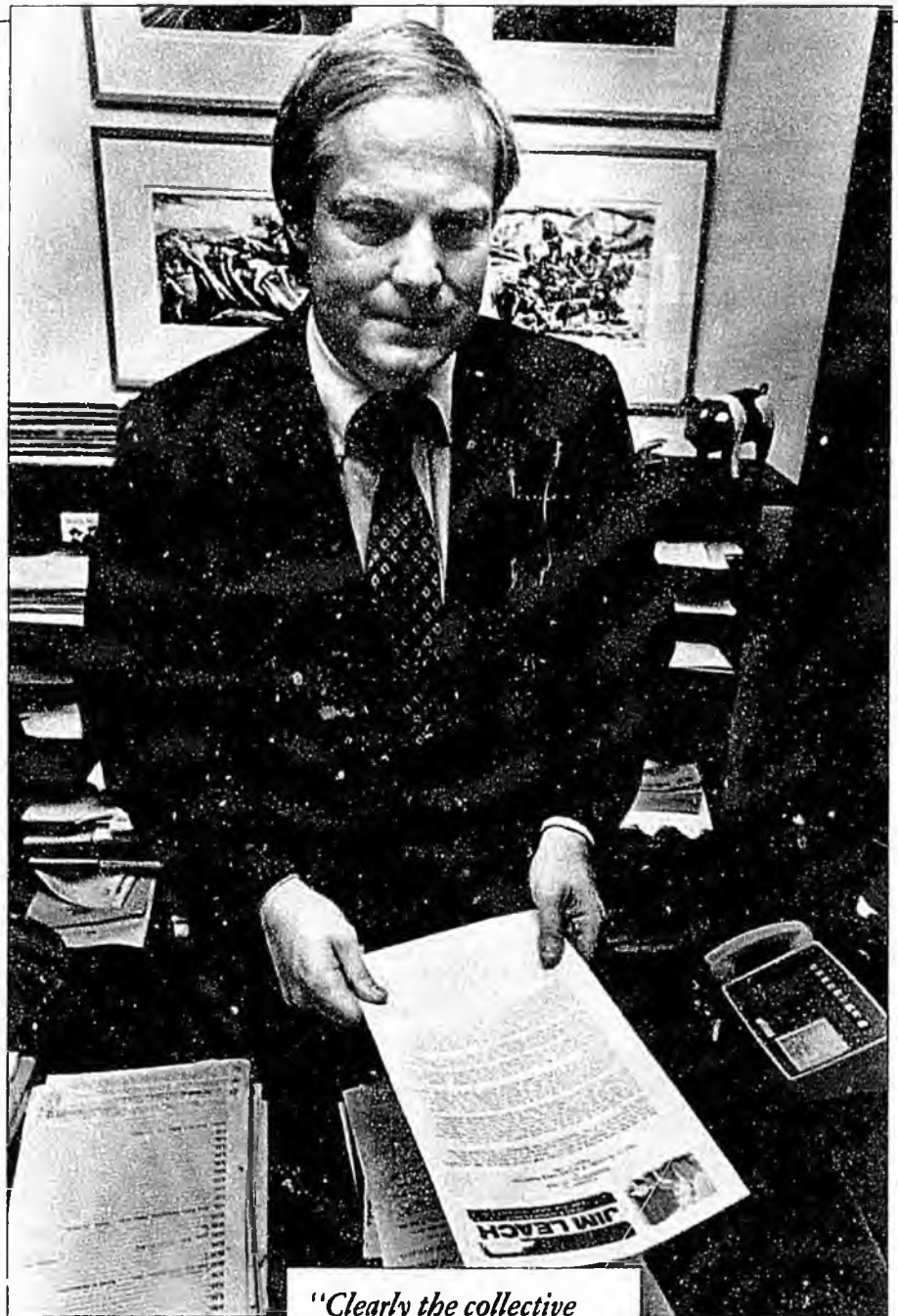
What do you mean by a "power broker"?

Someone who has more power than they would without the current system of campaign finance. Today, a union or corporate leader in control of a PAC has enormous access to a congressional office that a constituent does not, simply because the elected representative knows that these people either helped to elect him or might help to elect him in the next election. So we're seeing the Congress of the United States becoming increasingly indebted to either big business or big labor, when the vast majority of Americans are small business folk or rural or otherwise not related to a labor union or large corporate undertaking. The final result is that it's pushing America towards a European model of politics: The Democratic Party is becoming the party of labor, and the Republican Party is increasingly becoming the party of business. We are heightening confrontation and reducing capacities to compromise.

Don't a lot of PACs play both sides of the political fence?

Labor hardly does. Around 96 percent of labor contributions go to Democrats. Business does to a greater extent, but there is one definite group business supports—and that's incumbents. They go where the power is.

Establishing PACs seems to have become fashionable. Now we're seeing the creation of new PACs representing all kinds of different interests from all over the political spectrum and ranging from grandmothers to students. There are those who argue that this is a good thing because it's opening up the political process to a lot of people who never really participated before. What do you think?



BRUCE REEDY

"Clearly the collective judgment of Congress is that it's pro-incumbent to keep the current system, or they would have changed it by now."

In some respects it's healthier to have more PACs than fewer PACs because you get a larger cross-section of America [involved]. But I also think that PACs decrease the incentive for individuals to make small contributions [on their own]. Why would an assembly line worker give \$3 or \$10 to a candidate if he knows his union is going to give \$10,000?

And many of these groups are not reflective of their membership. For example, 40 percent of labor union members may have supported a Republican candidate, and yet nearly 100

percent of the PACs' money generally goes to Democratic candidates. Not infrequently, a business PAC or farm PAC will give money to one candidate while the membership will

be working for the other side. They're under a certain peer pressure to give.

But most of all, PACs have had the effect of increasing cynicism. When you have a public perception of a bought Congress, you create an enormous disincentive in one whale of a lot of people to want to participate actively in helping candidates or even to make the effort to go to the voting booth.

PAC contributions are limited by law to \$5,000 in the primary and \$5,000 in the general election, while most campaigns today cost upwards of \$200,000. Since some say each contribution is a small percentage of the total, can you really say that candidates are obligated to their contributors?

Well, first of all, congressional campaigns cost a mighty amount because of the money that is suddenly being generated. I think we'd have a far healthier system with cheaper campaigns.

But to believe that \$10,000 or \$5,000 is of trivial consequence is nuts. [That money] wakes up politicians in a real hurry to that group's interest. In addition, we're seeing in many instances a unity of interest...where, for example, 20 unions or 20 businesses together can contribute a staggering sum of money on many similar interests.

Are campaign contributions actually influencing votes in Congress? Can you give us an example?

I can remember a Member coming up to me from an urban area and asking how to vote on a particular milk [issue] based upon what the milk lobby wanted, because he had received milk funds. I thought that was fairly ridiculous. It wasn't in his constituents' interest and he didn't even look at the merits of the bill. He looked at what his obligations were.

In a more general sense, though, when you look at what's happening in American politics, a good deal of it relates to how campaigns are run. That's how you decide what kind of legislation you're going to have. For example, one of the great problems in [our nation] over the last decade has been substantial federal deficits. I don't think they're accidental.

A lot of Democratic candidates get elected by isolating every interest group and promising whatever the maximum that group wants. On the Republican side, more and more are obligated to everyone seeking every conceivable tax cut.

If you have a Congress wedded to extremism in spending and extremism in tax cuts, you lose discipline...so it's no accident we have inflation—it's not unrelated to the campaign spending issue.

But some Members of Congress claim that they never check to see who gave them money, that they don't conduct business that way.

I do think that runs a bit against human nature. And we have to sign off on Federal Election Commission reports [which require disclosure of the amounts and sources of campaign contributions]. As a general rule all candidates look at

their contribution list and also look very carefully at their challenger's.

What can be done about the problem of PACs influencing the political process?

I think, first, it would be helpful to put a limit on total PAC giving to campaigns. But personally I would go further than that and, if I had my 'druthers, I'd simply say that there would be no group contributions to the American political process, and that we ought to return to the notion of an individual democracy with the emphasis on individual rights rather than group expressions of power. I'm introducing a bill that will preclude PAC money entirely.

No PAC contributions allowed at all?

That's right.

What about the argument that that could limit the constitutional guarantee of free speech?

That is an argument worthy of respect. But when you isolate precisely what PACs are, they go against a very serious series of constitutional provisions. If you assume, as I do, that money affects outcome and if that money comes at all from out of state and from many interests which may have nothing to do with the state or congressional district, then, in a sense, you have broken down the whole notion of representative democracy in this country.

At present many PACs get around the limit on campaign contributions by making "independent expenditures"—that is, spending on behalf of a candidate but without any official link to the candidate's official campaign. How would you deal with this problem?

The independent expenditure issue is seriously the most devilish in terms of legislative remedies. There are potential ones such as, for example, perhaps designating that those who are the targets of independent expenditures will be given matching public funds, access to TV or radio in some way. Or, if we had legislation putting a limit [on how much PAC money a candidate could receive], we might well then form a basis for saying that an independent expenditure must be counted within that limit. But it's very hard constitutionally, and the courts have been tough on this.

How do you feel about partial public financing of congressional races?

I support partial public financing. The approach that I find preferable involves

partial public financing based upon matching contributions from individuals from the electoral district from which an individual is running.

Critics of the public financing concept say that its greatest flaw is that it would enhance the already substantial advantages of incumbency. What do you think?

You'll find that people on both sides of this issue claim it's anti-incumbent to support the opposite position. But I say the proof is in the pudding. If this is pro-incumbent, why hasn't every incumbent in the world jumped on [in support]? Clearly the collective judgment of Congress is that it's pro-incumbent to keep the current system or they would have changed it by now. [My proposal for public financing] would also include a formula that would give slightly more [in public matching funds] to the challenger. The great problem is that [reform] is seen as] anti-incumbent because a disproportionate amount of [PAC] money now goes to incumbents, yet incumbents write laws. How do you organize enough people to come out in support of something against their own interests?

How do you?

What can citizens do?

Well, every once in a while [politicians] bite their lips out of fear of being embarrassed. There are two approaches for raising this as an issue. One is to advertise [the contributions] candidates receive. The second is to ask candidates to go on record for or against legis-

lation [to reform the campaign finance laws]. There needs to be a national education effort on the importance of this issue.

[People should work] to try to get presidential and congressional candidates to take stands on this issue. It's an issue that is very well suited to party platforms and should be offered for consideration in both the Republican and Democratic conventions in 1984.

What's your scenario for the future if we don't take action on this?

I think we'll see all American campaigns [become much more] expensive, and all American candidates for public office facing really difficult [problems] of indebtedness. It's for the good of society as well as the individuals elected to try to place prudent restrictions [on campaign contributions to candidates].

"To believe that \$10,000 or \$5,000 is of trivial consequence is nuts. [That money] wakes up politicians in a real hurry to that group's interest."

ON THE FIRING LINE

The Washington press corps asks the tough questions

CC President Fred Wertheimer announced a "War on PACs" in a speech before the National Press Club in February. Following the speech, which was broadcast live on National Public Radio, Wertheimer took questions from the Washington press corps and others in the audience. Below are edited excerpts from the question and answer session.

Q Why weren't you complaining about PACs [political action com-

mittees] when organized labor had the overwhelming share of them?

A I'm glad you asked that question. We were! You can look at the statements that CC put out in 1971, '72 and '73 and '74 when labor was the dominant [PAC] force. In fact, the leaders of the fight in 1974 to open the door for the PAC movement's growth were labor organizations. We were on the opposite side at that time and it was a very bitter fight. We think [PACs] are bad for the system regardless of where they come from.

Q The advantages of incumbency in a political campaign [free mailing privileges, publicity, etc.] have been valued at as much as a quarter of a million dollars. What do you propose to give the challengers so they may beat incumbents?

A What we propose is a new system of financing these elections. It's incumbents who really benefit most from the present system—the percentage of PAC money that went to incumbents, rather than challengers, reached an all time high in 1982.



CC President Fred Wertheimer announced Common Cause's "War on PACs" in a speech before the National Press Club in February. Members of the Washington press and others seated at the head table include (top row, left) Ed Fowhy, ABC TV; Mary McGrory, The Washington Post; Rep. David Obey (D-Wis.); John Peterson, Detroit News; and Don Byrne, Traffic World (president of the Press Club and moderator); (bottom row, left) Ann McBride, CC vice president for program operations; Don McLeod, AP; Judy Woodruff, NBC TV; Evan Thomas, Time; Arnold Sawislak, UPI; and Winnie Long, CC volunteer.

We're asked, "Well, isn't public financing of congressional races an 'incumbents' protection act'?" You can ask former Presidents Carter and Ford. They were the first two presidents to run under the new system of public financing for presidential races and also the first two incumbent presidents to be defeated in a 40-year period. They will not tell you it's an incumbents' protection act.

Also, for some strange reason, after a decade, we have still not been able to convince the majority of Members in both the House and the Senate simultaneously that public financing is such a good deal that they should grab it. The fact is the new system [of public financing for congressional races] will give challengers a better chance to compete, but it won't stop incumbents from being able to run their races.

Q *With public financing of congressional elections, how would candidates in the primaries be selected to receive public funds?*

A At this stage, we support public financing of general elections—not primaries. The reason is a practical one. We think it has to be demonstrated that the system will work at the general election level first to show that it can work at the primary level as well. The way funds would be provided would be quite similar to the way they are provided for presidential primaries now. You would establish a financial threshold of small contributions [that candidates would have to raise before becoming eligible for public matching funds] to separate the viable candidates from the non-viable ones.

Q *Common Cause has recently been advocating partial public financing for congressional elections, but isn't the real aim of your organization full public financing?*

A No. We have supported full public financing of general elections for presidential campaigns. We believe in a system for Congress that allows a role for small private contributions [to congressional campaigns] and which provides public [matching] funds to make those contributions much more important [to a



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candidate]. That also allows a viable role for the political parties. Candidates can run for office without being dependent on [PACs] in a system that allows small private contributions. They cannot do that with PAC contributions playing the role they're playing today.

Q *Are you at all concerned about wealthy candidates, like Sen. Edward Kennedy (D-Mass.) and H. John Heinz (R-Pa.) who can afford to bankroll their campaigns from family fortunes?*

A Yes, we're very concerned about the advantage wealthy candidates have under our current system. That advantage will always be there unless we can pass public financing. Under a Supreme Court ruling, a wealthy candidate is free to spend as much of his or her money as the candidate wants. But we can limit that spending as part of a public financing system, if the candidate agrees to participate in it. If the candidate doesn't participate, you can provide additional resources and public funds for the opponent so that the opponent can com-



The source of money is not the issue, it's the concept behind it. The whole system is infected [by PAC contributions] and that's what has to be cured.

pete. Public financing gives us the best chance to stop the extraordinary advantages that a wealthy candidate has today.

Q *If money is so important [for winning campaigns], why didn't [millionaire Mark] Dayton win [his congressional campaign] in Minnesota?*

A Wealthy candidates don't always win. Money isn't a guarantee, but I'd like to point out that although Dayton lost his race in Minnesota, he also forced [his opponent], Sen. Durenburger [R-Minn.], to spend three or four times as much as he spent to win the same seat just four years ago. Dayton made Durenburger a million-dollar PAC man.

Q *Isn't public financing really an impractical solution? What about the bureaucracy and disputes over implementing it?*

A No—it's not an impractical solution. . . . We could spend a lot of time talking about the difficulties of implementing public financing, but we know it can be done—because it has been done, not only at the national level, but at the state level. It's been done in New Jersey for gubernatorial races, and in Wisconsin for state legislative races. The real question is, will a new system put us in a better situation than we're in today? The answer is yes. We're in such bad shape today there's nowhere to go but up.

Q *How do you feel about such organizations as the Council for a Liveable World [a group which supports a nuclear freeze] and the National Committee for an Effective Congress [a liberal political organization] which contribute [through PACs] to campaigns of congressional candidates?*

A Our organization has problems with PACs regardless of who forms them. It's natural for any group to lobby for its own point of view, whatever its philosophy. But when you combine that natural act with campaign contributions, and then watch PACs' campaign contributions increase from \$12.5 million in 1974 to \$80 million in 1982—you know you've gotten into a very unnatural

situation.

The source of the money is not the issue, it's the concept behind it. The whole system is infected [by PAC contributions] and that's what has to be cured.

Q *Some people, such as New Yorker political correspondent Elizabeth Drew, have argued that public funding of presidential races hasn't really [eliminated special interest money]. If that's the case, why would public financing work any better for congressional races?*

A I don't agree with that analysis. There have been some problems with public financing of presidential elections, but I think the system has worked. The people who are elected president under this system cannot be indebted to those who finance their campaigns—they can and do get enough [public] money to run their elections without having to become dependent on private groups or individuals putting up money.

There are some problem areas—such as the role of independent expenditures [since individuals or groups who are supposedly independent of the candidate's official campaign organization can circumvent the current limits on campaign contributions]. Such problems can and should be dealt with—but they do not mean the system doesn't work. Imagine, for example, how the presidential election would be run in 1984 without public funds, with individuals free to give a million rather than a thousand dollars, and you can see that the system to date has accomplished its most basic goals.

Q *If you limit the role of PACs, isn't there a danger of weakening the constitutionally guaranteed right to petition Congress?*

A If we really clamp down on PACs, I don't think General Motors, the AFL-CIO or other groups are going to lose their ability to speak. What they're going to lose is their ability to use money to obtain public policy decisions on their behalf.

We're not going to eliminate interest groups. We're not going to eliminate competing ideas. We're not going to eliminate lobbying, and we should not. We are going to eliminate the vehicle

that is allowing corruption of the entire political process today.

Q *If you were to wage a successful war on PACs, what role, if any, would you leave for PACs? What would you offer in their place to help provide access to lawmakers?*

A Ideas, words, hard work—not money. Our approach would leave a role for PACs, but a vastly diluted role such as that played in publicly financed presidential campaigns. PACs gave less than \$2 million to the 1980 presidential campaigns. That's a minimal role, and one which does not allow them to dominate or influence the system excessively with money. We believe in preserving a role for private money, and we also believe that if you allow individuals to give a small amount, you can allow a group to give a small amount.

Q *What do you see as a model for citizen involvement in the electoral process—taking into account the fact that most of us are ordinary people who have primary responsibilities to our families and jobs and have no desire to run ourselves ragged going to political meetings? What contribution can we make?*

A Well, vote, for starters. There are a variety of ways that people can be involved in a campaign—and our approach leaves room for small private contributions for both candidates and the political parties. But your question evokes the often heard argument that PAC money is simply an accumulation of lots of small contributions and therefore an important new way for individuals to participate in the political process. What really happens is that those contributions change their character when they go to a PAC. They take on the identity of the interest [group represented by] the PAC rather than that of the individual. Individuals, fortunately, are more complex than PACs. They weigh a variety of things in trying to decide whether their representation in government is good or bad. PACs have a much narrower agenda, and thus fragment the system. They are not a positive vehicle for allowing people to participate in the political process. ●

FIGHT BACK

You can help pass reforms to restore a government of, by and for the people

To help restore the representative system of government to the American people, Congress must continue on the road to reform started nearly a decade ago. The following measures are key:

Partial Public Financing Of Congressional Elections

Since 1976, presidential candidates have been elected through a system of public financing. This means that in a general election, each major-party presidential candidate receives an equal amount of federal funds, and candidates of minor parties receive a proportionate share of federal funds based on their showing in the election.

In the presidential primaries, campaigns are financed by a mixed system, with smaller (\$250 or less) private contributions which are matched with federal funds. As a result, qualified candidates in the presidential primaries are encouraged to seek many small contributions for their campaigns.

Thanks to this system, PAC contributions play a minor role in the process—in general providing less than 1 percent of total receipts.

Even so, several presidential contenders have already announced that they will accept *no* PAC funds in the 1984 campaigns. This is clearly a sign that candidates for our highest public office recognize the value Americans place on elections free of special interest money.

Millions of them support public financing by checking "yes" on their income tax forms in order to allocate \$1 of the taxes they already owe for the Presidential Election Campaign Fund.

CC supports establishing a similar voluntary system for congressional elections. PACs would still exist but their role would be greatly diminished.

Here's how the system would work: A congressional candidate would first have to demonstrate the strength of his or her

campaign by raising a threshold sum of money from small (\$100 or less) contributions. This candidate would then be eligible for federal matching funds. This system would increase the importance of small private contributions.

To help ensure equitable opportunities for candidates for office—regardless of economic status and background—Common Cause supports reasonable limits on the amount of personal funds a candidate who accepts public financing could contribute to his or her own campaign.

To break the "arms race" that has resulted in soaring campaign expenditures—thanks in part to heavy PAC giving—CC supports realistic limits on overall campaign spending by candidates using the public financing system. Such limits would ensure competitive races between challengers and incumbents and yet put a ceiling on the level of federal spending in these races. One limit would be set for all House races (where races cost roughly the same). Since Senate campaign costs vary greatly from state to state depending on the population, spending limits for Senate campaigns would vary.

In those races where a candidate chose not to use public funds (and therefore would not be bound by the same expenditure limits), his or her opponent would be entitled to additional matching funds and a lifting of the expenditure ceiling.

Limitations on PAC Contributions

CC also supports overall limits on the amount a congressional candidate could receive in PAC contributions. The law currently limits contributions from a single PAC to \$5,000 in a primary and \$5,000 in a general election; there are no limits, however, on total PAC contributions, and this crucial flaw means that there are no checks on the aggregate influence of PACs. Thus, a candidate can receive substantial contributions from dozens of energy PACs or dozens of labor

PACs or dozens of defense contractor PACs. As Rep. David Obey (D-Wis.) has pointed out, "When a large number of groups which have made substantial contributions to members are all lobbying on the same side of an issue, the pressure generated from those aggregate contributions is enormous and warps the process. It is as if they had made a single, extremely large contribution. . . ."

In 1979, the House passed a measure sponsored by Reps. Obey and Tom Railsback (R-Ill.) which would have limited the total amount of PAC contributions a House candidate could receive in any election to \$70,000. (Unfortunately, the threat of a filibuster prevented consideration of this measure in the Senate.) This type of limit would be an important step in controlling the disproportionate influence of PAC dollars.

Countering the Effect Of Independent Expenditures

CC is also supporting legislative steps to curb so-called independent expenditures—the purchase of TV and radio time and other campaign activities which are undertaken by groups without direct "coordination or consultation" with candidates.

In the last two elections, the great bulk of these independent expenditures has been spent to attack candidates. Terry Dolan, chairman of the National Conservative Political Action Committee and a leader of the independent spending pack, has said, "A group like ours could lie through its teeth, and the candidate it helps stays clean."

CC supports an amendment to the federal communications statutes to give any candidate affected by an independent spender's TV or radio advertising an equal amount of free broadcast time. This would end the inequitable influence independent spenders now enjoy. ●

You Can Make The Difference

When it comes to buying access in Congress, PACs know they can make a difference. Special interest groups have learned through experience the benefits of handing out millions of dollars in campaign contributions to congressional candidates. All too often, money talks when Members of Congress vote on legislation supported by these groups.

More than 3,400 PACs helped elect the 98th Congress. They gave more than \$80 million to 1982 House and Senate candidates—that's seven times more than PACs contributed to congressional candidates in 1974.

It may be too late to do anything about the 1982 elections, but it's not too late to begin changing the system.

Join Common Cause's People Against PACs campaign today! You can make the difference.

For less than the price of a double dip strawberry ice cream cone, you can have clean elections.



A dollar doesn't go very far these days. But it can pay for one thing that is priceless—clean elections.

Every year millions of taxpayers check off "yes" on their income tax returns and add \$1 to the Presidential Election Campaign Fund. By assigning to this fund \$1 of the taxes they already owe, these Americans are reaffirming their belief that our presidential elections should be free of monied influence and abuse. Before Congress passed a law creating the presidential public financing system, such campaigns were largely financed by wealthy contributors and special interest groups.

But the days of campaign financing abuses are not over yet. Today, the scandal has shifted to Capitol Hill where Members of Congress continue to be elected with special interest money. In the absence of public financing for congressional races, special interests which make contributions through political action committees exert extraordinary influence over political events in the form of contributions for Congress.

There is a "\$1 solution" to these abuses: Let the public—not special interests—finance elections. Persuade Congress to pass laws allowing funds from the Presidential Election Campaign Fund to go not only to White House candidates but to congressional candidates as well. That way, you could assign \$1 of the taxes you already owe to put lic financing of presidential *and* congressional elections.

Let your representative in Congress know you support the same kind of reform for Congress that has helped clean up presidential races. For additional information, write to Common Cause, 2030 M St., NW, Washington, D.C. 20036 (202/833-1200).



Streetwork Studio

Take \$2,000 And Call Me In The Morning

*A Common Cause study of American Medical Association
Political Action Committee Contributions*

ERRATA

The correct AMA PAC receipts for the following Representatives listed on Table I are:

Gramm (R-TX), \$45,200
Marriott (R-UT), \$28,530
Gingrich (R-GA), \$23,000
Chappell (D-FL), \$23,090
Gephardt (D-MO), \$12,975

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TAKE \$2,000 AND CALL ME IN THE MORNING

Since 1972, when Common Cause first began monitoring the contributions of political action committees (PACs) to candidates for federal office, the American Medical Association national PAC together with its state affiliate PACs have consistently emerged at the top of the list of interest group givers to congressional campaigns.

This study examines AMA PAC giving for the past three congressional election cycles -- from January 1, 1977 through November 22, 1982 -- in order to provide a picture of the cumulative impact PAC contributions can have in creating obligations for Members of Congress. The study finds, for example, that there are 178 Representatives in the House who have received AMA PAC contributions in each of the last three congressional elections. (See Table I for a listing of these Representatives.)

During the 6-year period covered by the study, AMA PACs gave a total of \$6,266,015* to all congressional candidates. Of that amount, \$3,845,141 was contributed to candidates now serving in Congress -- \$3,233,656 to Representatives and \$611,485 to Senators.

AMA PACs also spent \$337,000 independently in behalf of 34 current Members during the last three congressional elections (see Table II for a listing of these Members and AMA expenditures in their behalf). Independent expenditures were made to place advertisements in local editions of national publications, to produce campaign buttons, to buy television spots and to mount targeted direct mail campaigns in selected precincts.

Other findings of the Common Cause study include:

- 87% of all current Senators have accepted AMA PAC money since 1977;
- 84% of all current Representatives have accepted AMA PAC money since 1977; and

* \$2,261,094 in 1977-78
\$1,872,033 in 1979-80
\$2,132,888 in 1981-82

- of the 69 Representatives who have received no AMA PAC contributions during this period, more than half (38) are freshmen Members of Congress (see Table III for a listing of these Representatives).

Take \$2,000 And Call Me In The Morning provides an opportunity for congressional observers to examine the relationship in the present Congress between AMA PAC contributions to individual Members and Members' votes on AMA-backed legislation. Tables IV and V of the study list 1978, 1980 and 1982 AMA PAC contributions to each Representative and Senator, respectively, and provide space to record how the Member votes on AMA-backed proposals.

Issues of interest to the AMA that may come up during the 98th Congress include Federal Trade Commission regulations, health insurance proposals and congressional authorization of the National Institutes of Health.

Take \$2,000 And Call Me In The Morning is part of a continuing series of Common Cause studies of PAC contributions to congressional candidates. Previous studies -- which include a look at PAC contributions to members of the House Energy and Commerce Committee and PAC contributions to Representatives on the Banking, Finance and Urban Affairs Committee -- are available from the Common Cause press office.

Common Cause Campaign Finance Monitoring Project Director Randy Huwa and Research Assistant Jane Mentzinger produced this study, which is based on PAC reports filed with the Federal Election Commission for the entire 1978 and 1980 election cycles and from January 1, 1981 through November 22, 1982.

TABLE I

REPRESENTATIVES WHO RECEIVED AMA PAC MONEY
IN EACH OF THE LAST THREE CONGRESSIONAL ELECTIONS

<u>Rep./Party/State</u>	<u>Total</u>	<u>Rep./Party/State</u>	<u>Total</u>
Gramm (R-TX)	\$50,200	Solomon (R-NY)	\$19,875
Wolf (R-VA)	32,500	Spence (R-SC)	19,800
Stangeland (R-MN)	30,500	Whittaker (R-KS)	19,675
Hopkins (R-KY)	30,000	Pursell (R-MI)	19,300
Paul (R-TX)	30,000	Fuqua (D-FL)	19,050
Leath (D-TX)	29,994	Coehlo (D-CA)	18,900
Marriott (R-UT)	28,630	Stump (R-AZ)	18,600
Daub (R-NE)	27,000	Bereuter (R-NE)	18,500
Porter (R-IL)	26,486	Cheney (R-WY)	18,500
Hance (D-TX)	26,066	Myers (R-IN)	18,500
Coleman (R-MO)	25,515	Green (R-NY)	18,250
Gingrich (R-GA)	25,500	Corcoran (R-IL)	18,125
Sawyer (R-MI)	25,437	Kazen (D-TX)	18,000
Marlenee (R-MT)	25,400	O'Brien (R-IL)	18,000
Stenholm (D-TX)	25,000	Gephardt (D-MO)	17,975
Williams (R-OH)	24,700	Young (R-AK)	17,875
Snyder (R-KY)	24,556	Thomas (R-CA)	17,750
Edwards (R-OK)	24,360	Gray (D-PA)	17,600
Shelby (D-AL)	23,600	Lungren (R-CA)	17,600
Tauke (R-IA)	23,234	Pashayan (R-CA)	17,300
Dannemeyer (R-CA)	22,800	Anthony (D-AR)	17,250
Lewis (R-CA)	22,750	Mazzoli (D-KY)	17,050
Loeffler (R-TX)	22,500	Rostenkowski (D-IL)	17,000
Carney (R-NY)	22,400	Hillis (R-IN)	16,750
Hall, Sam (D-TX)	22,250	Holt (R-MD)	16,640
Volkmer (D-MO)	21,993	Jones (D-OK)	16,500
Chappell (D-FL)	21,590	Hubbard (D-KY)	16,350
Rudd (R-AZ)	20,750	Snowe (R-ME)	16,225
Luken (D-OH)	20,200	Lagomarsino (R-CA)	16,000
Skelton (D-MO)	20,200	Martin (R-NC)	15,729
Quillen (R-TN)	20,100	Murtha (D-PA)	15,500

Note: These figures include contributions by AMA state affiliate PACs and cover giving from January 1, 1977 through November 22, 1982.