Conventions highlight reform's problems

COMMENTARY

WILLIAM C. KASHATUS

THIS YEAR'S Republican convention in New York will be the most elaborate and costly of all presidential conventions in history. Private donations will pick up more than half of the staggering $106 million tab in the hope that the Bush administration will remember their generosity. That kind of dependence on corporate America not only pushes the whole political agenda to the right but discourages participation by the people who should be determining the agenda — ordinary voters.

Despite reforms to limit special-interest money, campaign finance — not the candidates — will determine who wins this presidential election and how they govern.

Campaign finance reform is nothing new. Ever since 1907, when a law that banned corporate contributions to political campaigns was enacted, new waves of scandal inspired new sets of reforms, usually at 20-year intervals.

The most recent reform is the McCain-Feingold Act, which was signed into law by President Bush in March 2002.

Sponsored by U.S. Senators John McCain, R-Arizona, and Russ Feingold, D-Wisconsin, the bipartisan measure outlaws "soft money" contributions or donations from wealthy individuals, unions and corporations to political parties that had been unregulated by federal law. But creative evasion on the part of both parties has rendered the reform irrelevant.

Last year, for example, the Federal Election Commission loosened rules on how host committees in charge of organizing the presidential conventions can raise money, eliminating a requirement that donors have a local presence in the host city. That rule change allowed corporations to legitimately spend a treasure chest of soft money that had been accumulating since the McCain-Feingold law banned unlimited donations to national political parties. Predictably, this year's host committees targeted soft-money donors from previous campaign years.

According to a recent study by the watchdog Campaign Finance Institute, of the 67 companies named as donors to the New York Host Committee, 33 had given at least $100,000 over the last two election cycles to the Republican Party. Similarly, approximately $40 million of the $65 million spent by the Boston Host Committee came from 200-plus private donors, 45 of which gave $250,000 or more to the Democrat Party in previous election cycles.

Issue advertising by supposedly independent groups, also known as "527 groups," has also effectively eliminated constraints on fund-raising.

Democrat presidential candidate John Kerry recently invoked campaign-finance laws to challenge an ad by a 527 group calling itself Swift Boat Veterans for Truth, which has attacked his Vietnam War record. Kerry accused the group of illegally coordinating its attack against him with President Bush's re-election campaign.

Coordination between 527s and official campaigns is illegal because 527s are supposed to be independent groups. At the same time, 527s have proliferated since the passage of McCain-Feingold because the measure also increased the level of "hard money" donations to a candidate's campaign from $1,000 to $2,000 per election.

Interestingly, money raised by 527 groups has overwhelmingly benefited Kerry's campaign by nearly $134 million, helping to offset the cash advantage held by the Bush campaign, which has raised $242 million to Kerry's $233.4 million, and the Republican Party's National Committee, which has raised $245.3 million to the Democrat National Committee's $145 million.

The reality of this presidential election is that access and attention, if not policy, are for sale. Because alliances with the wealthy are so tempting to make, the candidates will struggle to retain their independence and virtue.

William C. Kashatus teaches history at Luzerne County Community College. He can be contacted at bkashatus@luzerne.edu.

TIMES LEADER

TUESDAY, AUGUST 31, 2004