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## Money, PACs, and Elections

Political campaigning has become increasingly expensive at all levels of government. Only presidential campaigns are publicly funded, although candidates in presidential primaries have to garner a certain amount of private contributions to qualify for federal matching funds. The rise of political action committees, which the campaign finance laws of the 1970s recognized as legitimate, has enhanced the influence of private money and interest group power in the political process. Money and politics go together in the contemporary political environment, and political action committees are a major source of campaign funds. While PACs are perfectly legitimate organizations, authorized and even encouraged by the campaign finance laws of the 1970s, they are often portrayed as the bad guys of American politics. They are the modern-day "factions" of the James Madison attack in *Federalist 10*. The author of the following selection suggests that PAC-bashing is overdone.

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## The Misplaced Obsession with PACs

Larry J. Sabato

The disturbing statistics and the horror stories about political action committees seem to flow like a swollen river, week after week, year in and year out. Outrage extends across the ideological spectrum: the liberal interest group Common Cause has called the system "scandalous," while conservative former senator Barry Goldwater (R-Ariz.) has bluntly declared, "PAC money is destroying the election process. . . ."

In more and more recent campaigns, political action committees have been portrayed as the central corrupting evil in American politics. In Massachusetts in 1984, for example, all the major contenders for the U.S. Senate in both parties refused to take PAC money, and one candidate even got his Democratic opponent to sign a statement pledging to resign his seat in Congress should he "ever knowingly accept and keep a campaign contribution from a political action committee."

Candidates from Maine to California have scored points by for-swearing the acceptance of PAC gifts earlier and more fervently than their opponents. The Democratic Party included in its 1984 national platform a call for banning PAC funds from all federal elections, despite its aggressiveness in attracting PAC money to itself and its candidates.

PAC-bashing is undeniably a popular campaign sport, but the "big PAC attack" is an opiate that obscures the more vital concerns and problems in campaign finance. PAC excesses are merely a symptom of other serious maladies in the area of political money, but the near-obsessive focus by public interest groups and the news media on the PAC evils has diverted attention from more fundamental matters. The PAC controversy, including the charges most frequently made against them, can help explain why PACs are best described as agents of pseudo corruption.

## The PAC Era

While a good number of PACs of all political persuasions existed prior to the 1970s, it was during that decade of campaign reform that the modern PAC era began. Spawned by the Watergate-inspired revisions of the campaign finance laws, PACs grew in number from 113 in 1972 to 4,196 by 1988, and their contributions to congressional candidates multiplied more than fifteen fold, from \$8.5 million in 1971-72 to \$130.3 million in 1985-86.

The rapid rise of PACs has engendered much criticism, yet many of the charges made against political action committees are exaggerated and dubious. While the widespread use of the PAC structure is new, special interest money of all types has always found its way into politics. Before the 1970s it simply did so in less traceable and far more disturbing and unsavory

ways. And while, in absolute terms, PACs contribute a massive sum to candidates, it is not clear that there is proportionately more interest-group money in the system than before. As political scientist Michael Malbin has argued, we will never know the truth because the earlier record is so incomplete.

The proportion of House and Senate campaign funds provided by PACs has certainly increased since the early 1970s, but individuals, most of whom are unaffiliated with PACs, together with the political parties, still supply about three-fifths of all the money spent by or on behalf of House candidates and three-quarters of the campaign expenditures for Senate contenders. So while the importance of PAC spending has grown, PACs clearly remain secondary as a source of election funding. PACs, then, seem rather less awesome when considered within the entire spectrum of campaign finance.

Apart from the argument over the relative weight of PAC funds, PAC critics claim that political action committees are making it more expensive to run for office. There is some validity to this assertion. Money provided to one candidate funds the purchase of campaign tools that the other candidate must match in order to stay competitive.

In the aggregate, American campaign expenditures seem huge. In 1988, the total amount spent by all U.S. House of Representatives candidates taken together was about \$256 million, and the campaign cost of the winning House nominee averaged over \$392,000. Will Rogers's 1931 remark has never been more true: "Politics has got so expensive that it takes lots of money to even get beat with."

Yet \$256 million is far less than the annual advertising budgets of many individual commercial enterprises. These days it is expensive to communicate, whether the message is political or commercial. Television time, polling costs, consultants' fees, direct-mail investment, and other standard campaign expenditures have been soaring in price, over and above inflation. PACs have been fueling the use of new campaign techniques, but a reasonable case can be made that such expenses are necessary, and that more and better communication is required between candidates and an electorate that often appeals woefully uninformed about politics. PACs therefore may be making a positive contribution by providing the means to increase the flow of information during elections.

PACs are also accused of being biased toward the incumbent, and except for the ideological committees, they do display a clear and overwhelming preference for those already in office. But the same bias is apparent in contributions from individuals, who ask the same reasonable, perhaps decisive, economic question: Why waste money on contenders if incumbents almost always win? On the other hand, the best challengers—those perceived as having fair-to-good chances to win—are usually generously funded by PACs. Well-targeted PAC challenger money clearly helped the GOP win a majority in the U.S. Senate in 1980, for instance, and in turn aided the Democrats in their 1986 Senate takeover.

The charge that PACs limit the number of strong challenges is true, because by giving so much money so early in the race to incumbents, they deter potential opponents from declaring their candidacies. On the other hand, the money that PACs channel to competitive challengers late in the election season may actually help increase the turnover of officeholders on Election Day. PAC money also tends to invigorate competitiveness in open-seat congressional races where there is no incumbent.

One line of attack on PACs that seems fairly justified is the feeling that these important components of our democratic political system are themselves undemocratic in some respects. For example, in some cases their candidate selection process completely severs the connecting link between contributor and candidate. As political scientist David Adamany has noted, this condition is most apparent in many of the politically ideological nonconnected PACs, whose lack of a parent body and whose freestyle organization make them accountable to no one and responsive mainly to their own whims. Leaders of ideological PACs, however, insist that their

committees are still democratic, since contributors will simply stop giving if dissatisfied with the PACs' candidate choices.

But ideological PACs raise most of their money by direct mail, which means that the average donor's only source of information about the PACs activities is their own communication, which, not surprisingly, tends to be upbeat and selective in reporting the committee's work. Moreover, as political scientist Frank Sorauf has stressed, since direct mail can succeed with only a 2 to 5 percent response rate, and since prospecting for new donors is continuous, decisions by even a large number of givers to drop out will have little impact on PAC fundraising.

Ideological PACs are not alone in following undemocratic practices. When the AFL-CIO overwhelmingly endorsed Democrat Walter Mondale for president in 1983, thereby making available to him the invaluable resources of most labor PACs, a CBS News/*New York Times* poll showed that less than a quarter of the union members interviewed had their presidential preferences solicited in any fashion. If a representative sampling had taken place, the AFL-CIO might not have been so pro-Mondale, since the CBS/Times poll indicated that Mondale was not favored by a majority of the respondents and was in fact in a statistical dead heat with Senator John Glenn (D-Ohio) for a plurality edge.

Nor can many corporate PACs be considered showcases of democracy. In a few PACs the chief executive officers completely rule the roost, and in many the CEOs have inordinate influence on PAC decisions.

### **PAC Money and Congressional "Corruption"**

The most serious charge leveled at PACs is that they succeed in buying the votes of legislators on issues important to their individual constituencies. It seems hardly worth arguing that many PACs are shopping for congressional votes and that PAC money buys access, or opens doors, to congressmen. But the "vote-buying" allegation is generally not supported by a careful examination of the facts. PAC contributions do make a difference, at least on some occasions, in securing access and influencing the course of events, but those occasions are not nearly as frequent as anti-PAC spokesmen, even congressmen themselves, often suggest.

PACs affect legislative proceedings to a decisive degree only when certain conditions prevail. First, the less visible the issue, the more likely that PAC funds can change or influence congressional votes. A corollary is that PAC money has more effect in the early stages of the legislative process, such as agenda setting and votes in subcommittee meetings, than in later and more public floor deliberations. Press, public, and even "watchdog" groups are not nearly as attentive to initial legislative proceedings.

PAC contributions are also more likely to influence the legislature when the issue is specialized and narrow, or unopposed by other organized interests. PAC gifts are less likely to be decisive on broad national issues such as American policy in Nicaragua or the adoption of a Star Wars missile defense system. But the more technical measures seem tailor-made for the special interests. Additionally, PAC influence in Congress is greater when large PACs or groups of PACs (such as business and labor PACs) are allied. In recent years, despite their natural enmity, business and labor have lobbied together on a number of issues, including defense spending, trade policy, environmental regulation, maritime legislation, trucking legislation, and nuclear power. The combination is a weighty one, checked in many instances only by a tendency for business and labor in one industry (say, the railroads) to combine and oppose their cooperating counterparts in another industry (perhaps the truckers and teamsters).

It is worth stressing, however, that most congressmen are not unduly influenced by PAC money on most votes. The special conditions simply do not apply to most legislative issues, and the overriding factors in determining a legislators votes include party affiliation, ideology, and constituents' needs and desires. Much has been made of the passage of large tax cuts for oil and business interests in the 1981 omnibus tax package. The journalist Elizabeth Drew said there was a "bidding war" to trade campaign contributions for tax breaks benefiting independent oil producers. Ralph Nader's Public Citizen group charged that the \$280,000 in corporate PAC money accepted by members of the House Ways and Means Committee helped to produce a bill that "contained everything business ever dared to ask for, and more." Yet as Robert Samuelson has convincingly argued, the "bidding war" between Democrats and Republicans was waged not for PAC money but for control of a House of Representatives sharply divided between Reaganite Republicans and liberal Democrats, with conservative "boll weevil" Democrats from the southern oil states as the crucial swing votes. The Ways and Means Committee actions cited by Nader were also more correctly explained in partisan terms. After all, if these special interests were so influential in writing the 1981 omnibus tax package, how could they fail so completely to derail the much more important (and, for them, threatening) tax reform legislation of 1986?

If party loyalty can have a stronger pull than PAC contributions, then surely the views of a congressman's constituents can also take precedence over those of political action committees. If an incumbent is faced with choice of either voting for a PAC-backed bill that is very unpopular in his district or forgoing the PACs money, the odds are that any politician who depends on a majority of votes to remain in office is going to side with his constituency and vote against the PACs interest. PAC gifts are merely a means to an end: reelection. If accepting money will cause a candidate embarrassment, then even a maximum donation will likely be rejected. The flip side of this proposition makes sense as well: if a PACs parent organization has many members or a major financial stake in the congressman's home district, he is much more likely to vote the PACs way—not so much because he receives PAC money but because the group accounts for an important part of his electorate. Does a U.S. senator from a dairy state vote for dairy price supports because he received a significant percentage of his PAC contributions from agriculture, or because the farm population of his state is relatively large and politically active? When congressmen vote the National Rifle Association's preferences is it because of the money the NRA's PAC distributes, or because the NRA, unlike gun-control advocates, has repeatedly demonstrated the ability to produce a sizable number of votes in many legislative districts?

If PACs have appeared more influential than they actually are, it is partly because many people believe legislators are looking for opportunities to exclaim (as one did during the Abscam scandal) "I've got larceny in my blood!" It is certainly disturbing that the National Republican Congressional Committee believed it necessary to warn its PAC-soliciting candidates: "Don't ever suggest to the PAC that it is 'buying' your vote, should you get elected." Yet knowledgeable Capitol Hill observers agree that there are few truly corrupt congressmen. Simple correlations notwithstanding, when most legislators vote for a PAC-supported bill, it is because of the merits of the case, or the entreaties of their party leaders, peers, or constituents, and not because of PAC money.

When the PAC phenomenon is viewed in the broad perspective of issues, party allegiance, and constituent interests, it is clear that merit matters most in the votes most congressmen cast. It is naive to contend that PAC money never influences decisions, but it is unjustifiably cynical to believe that PACs always, or even usually, push the voting buttons in Congress.

## PACs in Perspective

As the largely unsubstantiated "vote-buying" controversy suggests, PACs are often misrepresented and unfairly maligned as the embodiment of corrupt special interests. Political action committees are a contemporary manifestation of what James Madison called "factions." In his *Federalist* No. 10, Madison wrote that through the flourishing of these competing interest groups, or factions, liberty would be preserved.

In any democracy, and particularly in one as pluralistic as the United States, it is essential that groups be relatively unrestricted in advocating their interests and positions. Not only is that the mark of a free society, it also provides a safety valve for the competitive pressures that build on all fronts in a capitalistic democracy. And it provides another means to keep representatives responsive to legitimate needs.

This is not to say that all groups pursue legitimate interests, or that vigorously competing interests ensure that the public good prevails. The press, the public, and valuable watchdog groups such as Common Cause must always be alert to instances in which narrow private interests prevail over the commonwealth—occurrences that generally happen when no one is looking.

Besides the press and various public interest organizations, there are two major institutional checks on the potential abuses wrought by factions, associations, and now PACs. The most fundamental of these is regular free elections with general suffrage. As Tocqueville commented:

*Perhaps the most powerful of the causes which tend to mitigate the excesses of political association in the United States is Universal Suffrage. In countries in which universal suffrage exists, the majority is never doubtful, because neither party can pretend to represent that portion of the community which has not voted.*

*The associations which are formed are aware, as well as the nation at large, that they do not represent the majority: this is, indeed, a condition inseparable from their existence; for if they did represent the prepondering power, they would change the law instead of soliciting its reform.*

Senator Robert Dole (R-Kan.) has said, "There aren't any poor PACs or Food Stamp PACs or Nutrition PACs or Medicare PACs," and PAC critics frequently make the point that certain segments of the electorate are underrepresented in the PAC community. Yet without much support from PACs, there are food stamps, poverty and nutrition programs, and Medicare. Why? Because the recipients of governmental assistance constitute a hefty slice of the electorate, and votes matter more than dollars to politicians. Furthermore, many citizens outside the affected groups have also made known their support of aid to the poor and elderly—making yet a stronger electoral case for these PAC-less programs.

The other major institution that checks PAC influence is the two-party system. While PACs represent particular interests, the political parties build coalitions of groups and attempt to represent a national interest. They arbitrate among competing claims, and they seek to reach a consensus on matters of overriding importance to the nation. The parties are one of the few unifying forces in an exceptionally diverse country.

If interest groups and their PACs are useful to a functioning democracy, then political parties are essential. Yet just as PACs began gathering strength in the 1970s, the parties began a steady decline in power. In the past decade the rehabilitation of the party system has begun, but there is a long way to go. A central goal of the campaign financing reform agenda should be to strengthen the political parties, and to grant them a kind of "most favored nation" preferential status in the machinery of elections and campaign finance. Reforms to bolster the parties will also serve to temper the excesses of PACs by reducing their proportional impact on the election of public officials.

However limited and checkmated by political realities PACs may be, they are still regarded by a skeptical public as thoroughly unsavory. PACs have become the embodiment of greedy special interest politics, rising campaign costs, and corruption. It does not seem to matter that most experts in the field of campaign finance take considerable exception to the prevailing characterization of political action committees. PACs have become, in the public's mind, a

powerful symbol of much that is wrong with America's campaign process, and candidates for public office naturally manipulate this symbol as well as others for their own ends. It is a circumstance as old as the Republic.

PACs, however, have done little to change their image for the better. Other than the business-oriented Public Affairs Council, few groups or committees have moved to correct one-sided press coverage or educate the public on campaign financing's fundamentals. In fact, many PACs fuel the fires of discontent by refusing to defend themselves while not seeming to care about appearances. Giving to both candidates in the same race, for example—an all-too-common practice—may be justifiable in theory, but it strikes most people as unprincipled, tank influence purchasing. Even worse, perhaps, are PACs that "correct their mistakes" soon after an election by sending a donation to the winning, but not originally PAC-supported, candidate. In the seven 1986 U.S. Senate races where a Democratic challenger defeated a Republican incumbent, there were 150 instances in which a PAC gave to the GOP candidate before the election and to the victorious Democrat once the votes were counted. These practices PACs themselves should stop. Every PAC should internally ban double giving, and there should be a moratorium on gifts to previously opposed candidates until at least the halfway point of the officeholder's term.

Whether PACs undertake some necessary rehabilitative steps or not, any fair appraisal of their role in American elections must be balanced. PACs are neither political innocents nor selfless civic boosters. But, neither are they cesspools of corruption and greed, nor modern-day versions of Tammany Hall.

PACs will never be popular with idealistic reformers because they represent the rough, cutting edge of a democracy teeming with different peoples and conflicting interests. Indeed, PACs may never be hailed even by natural allies; it was the business-oriented *Wall Street Journal*, after all, that editorially referred to Washington, D.C., as "a place where politicians, PACs, lawyers, and lobbyists for unions, business or you-name-it shake each other down full time for political money and political support."

Viewed in perspective, the root of the problem in campaign finance is not PACs; it is money. Americans have an enduring mistrust of the mix of money (particularly business money) and politics, as Finley Peter Dunne's Mr. Dooley revealed:

*I niver knew a pollytician to go wrong ontill he'd been contaminated be contact with a business man. . . . It seems to me that th' only thing to do is to keep pol-lyticians an' business men apart. They seem to have a bad infloonce on each other. Whiniver I see an alderman an' a banker walkin' down th' street together I know th' Recordin' Angel will have to ordher another bottle iv ink.*

As a result of the new campaign finance rules of the 1970s, political action committees superseded the "fat cats" of old as the public focus and symbol of the tale of money in politics, and PACs inherited the suspicions that go with the territory. Those suspicions are valuable because they keep the spotlight on PACs and guard against undue influence. It may be regrettable that such supervision is required, but human nature—not PACs—demands it.

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