PART ONE

Articles

These articles are the work of political scientists, lawyers, and economists analyzing campaign finance law and its consequences in the United States today and over the past several decades.

If It's Not Broken . . . or Is It?

Frank J. Sorauf

This selection was excerpted from *Inside Campaign Finance: Myths and Realities* (New Haven: Yale University Press, 1992). In this article, Frank J. Sorauf, a distinguished political scientist recently retired from the University of Minnesota, looks at the influence of money in campaigns. Does money buy votes in legislatures? Does it determine who gets elected? Are the "smart and savvy" evading regulations? Are candidates spending too much money?

Sorauf decries the tendency of journalists to imply that a legislator's vote is the result of a campaign contribution. It is difficult, he notes, to sort out cause and effect even with sophisticated statistical methods when political money, especially money from political action committees (PACs), is the issue. Was the legislative vote the result of contributions that were better called bribes, or did contributors support the candidate because they knew how he or she would vote?

Sorauf concludes from a review of the academic literature that there is "little if any relationship between the money and the votes" and that work by Janet Frenzke, John Wright, and others demonstrates that the influence of PACs on legislative outcomes is greatly exaggerated. The work of other scholars finds increased congressional efforts on behalf of PAC contributors but not necessarily any change in outcomes and some influence at penultimate stages of the process (e.g., committee actions such as amendments to legislation).

The influence of money in winning elections is a different matter. Incumbents have a great advantage because of the assumption that they are likely to win; therefore they get earlier and larger contributions. Sorauf considers the effects on challengers the greatest problem with the 1974 legislation.

He does not, however, consider campaigns too expensive; rather, what is reasonable to spend can be determined from a stipulated typical campaign costing $500,000 to $600,000. Funds in such amounts are hard to raise, and Sorauf therefore concludes that we may be raising too much and at the same time not spending enough.

On a Sunday edition of the *NBC Nightly News* in April 1991, Garrick Utley, the anchor, segued from a report on the state of banking to the next topic: "And while we're on the subject of money, how about politics. Money buys influence. How do you stop it? We'll find out next. Our focus this evening, money and politics, efforts to curb widespread corruption in state politics. Consider this. During the past 20 years, convictions of state officeholders on federal corruption charges have increased sevenfold. What kind of corruption is there? How can it be stopped?"[1] Andrea Mitchell, reporting from Washington, continued the story: "It's becoming a bigger and bigger problem in state government: the corrupting influence of special interests using their money to grease the wheels of politics." She then reported on the alleged bribing of legislators in South Carolina and Arizona. "In state governments around the country, corruption is rampant. At a minimum, lobbyists' money buys access and clout. In the worst cases, state legislators are bought and sold like trading cards." Mitchell finished the essay on money and politics with an exploration of public funding and opposition to it by Republicans and incumbents. The final Utley-Mitchell colloquy amounted to an enthusiastic endorsement of public funding.

It was only a few minutes of network television on a slow news day—an inordinate proportion of stories on campaign finance appear on Sunday television or in Monday morning newspapers—but the story linked two allegations of bribery of state legislators to perfectly legal campaign finance practices and then tied the two together with a single solution: public funding of campaigns. One might pass it by if it were an isolated linking of campaign finance to bribery and other kinds of illegality, but it is not. In 1986, *Newsweek*, commenting on the indictment of the Wall Street broker Ivan Boesky for illegalities in the financing of corporate takeovers, observed that the Boesky case "follows what seems a chronic scandal in the defense industry, where virtually all of the top contractors have been found cheating the government. Washington is awash in PAC money, and presidential crony Michael Deaver is only the most conspicuous of the capital's influence peddlers.[2] From that passage, it would not be easy for even an informed citizen to

1. This quotation and the ones that follow are from the network "rush transcript" of the *NBC Nightly News* for Sunday, April 21, 1991.

2. *Newsweek*, December 1, 1986, p. 49.

conclude that PAC contributions were a legal political activity protected by the First Amendment.

Such an opinion-shaping environment does not encourage much dispassionate analysis of the eight election cycles held under the Federal Election Campaign Act (FECA). Campaign finance becomes an indistinguishable part of broader political and social pathologies. The judgment is clear and in a sense simple: most or all campaign contributions are bribes. If contributions are some form of bribery, it follows that the raising of those contributions by public officials is a form of extortion. The judgment is not only negative, it is absolute as well; there are no hard distinctions to make, no need to separate the positive from the negative, the useful from the destructive, the legal from the illegal in campaign finance.

A parallel, if more systematic, point of view exists within academia. One legal scholar, Daniel H. Lowenstein, argues that all transactions in campaign finance are bribes: "It is a significant and politically relevant fact that under our present system of campaign finance, politicians and interest groups engage routinely not in legalized bribery, as is commonly supposed, but in felonious bribery that goes unprosecuted primarily because the crime is so pervasive."[3] Amitai Etzioni in his survey of the ills and wrongs of American politics refers repeatedly to campaign contributions as "legalized corruption."[4]

Such absolute judgments, if unwarranted, will eventually fall of their own weight. They are certainly at variance with American political tradition and both the norms and the words of the FECA. However much one may disagree with the verdicts of corruption, they and the other unflattering assessments of voluntary campaign finance are an unavoidable part of the politics of reform. Indeed, conventional wisdom

3. "Political Bribery and the Intermediate Theory of Politics," *UCLA Law Review* 32 (April 1985): 848. Philip Stern, in *The Best Congress Money Can Buy*, stops just short of that position, noting that "the line between a campaign contribution and a bribe is only, as one senator put it, 'a hair's breadth'" (p. 18).

4. Amitai Etzioni, *Capital Corruption: The New Attack on American Democracy* (New York: Harcourt, Brace, Jovanovich, 1984). See pages 50–57, for example.

sets the agenda of debate over campaign finance, both among the public and in legislatures. The diverse and even diffuse complaints about the post-Watergate regime can be reduced to a relatively small number of core concerns. Heading the agenda are the twin fears that campaign money buys excessive influence in legislatures and that it determines who wins or will win public office. Less well articulated but just as passionately held are two other convictions: that the smart and savvy are evading the regulatory system and that candidates are spending too much money in their campaigns. This chapter is devoted to an examination of those four claims.

Progressive-populist myths about the monied interests have been a century in the making. They cannot and should not lightly be ignored, as versions of reality or as shapers of political opinion, or as critiques of the FECA. All of that, however, does not relieve one of the responsibility to treat them with a measured skepticism.

THE PURCHASE OF LEGISLATURES

The question of motive haunts every campaign finance system relying on voluntary contributions. *Why* do they give? When a disclosure system discloses as much as the American one does about a visible set of organized givers representing society's major interests, the question rises to a salience that campaign finance rarely achieves. The answer to it is beyond dispute; they give to influence governmental decisions. The hard questions come next: the nature of the influence the contributors seek, the ways they go about seeking it, and the extent to which they achieve it.

The debate over the purchase of legislatures is not about generic contributors. It is about PAC contributors, whether they appear explicitly or are merely implied in such phrases as "the best Congress money can buy." Their splendid visibility as the organizations of the "special interests" links them and their contributions to the ongoing, century-long debates over the three-way alliance of money, organization, and interest in American politics. Now that PACs increasingly give to secure legislative access, a strategy in which their ties both to incumbents and to lobbyists are closer, they underscore all the old concerns. We no longer talk of PAC attempts to penetrate electoral politics but of their part in the traditional struggle of interests in American legislatures. Almost imperceptibly, but fundamentally, the debate has shifted from influence in election outcomes to influence over legislative outcomes.

Thanks to the reporting and publicity the FECA forced on candidates, PACs, and parties, the FEC oversees the largest data archive on any system of campaign finance anywhere in the world. Its data are easily accessible, and the "law of available data" has led to a flowering of research on them, both by the scholarly community and by journalists and public interest organizations. Their industriousness has produced works of many genres, but one of the most common—a veritable industry in itself—is the exploration of the PAC-Congress nexus. The variants on the theme, too, are recognizable: the largest PAC contributors to congressional candidates over a cycle or a decade, the major recipients of PAC money in the Congress, the contributions from PACs of one industry to the members of one committee or to supporters of a particular bill or cause, the mounting flow of PAC money from one sector of the economy as its interests are threatened or challenged. Often the investigations have a current stimulus; they are the campaign finance angle on the broader story, say, of the savings and loan crisis, the rewriting of the federal tax code, or the attempt to pass the Brady Bill's restrictions on the sale of handguns.

Such reports share one limiting defect: they establish correlation, not cause. Yes, PACs do largely give money to candidates who will vote the way they want them to; it would be surprising if that were not the case. Contributors contribute to like-minded candidates, just as voters vote for like-minded candidates. That relationship is easy to document, but the harder question remains: do PACs contribute to candidates because they know how they will vote, or do legislators conform to the wishes of PACS that gave money to their campaigns? Does the money follow the votes, or do the votes follow the money? It is a problem in simultaneous cause that seems to move both ways, between one act and another. Any analysis of campaign finance is repeatedly bedeviled by such problems.

If that were not enough, the journalistic evidence suffers because it is anecdotal, focusing on the limited, often dramatic event. Furthermore, the event and the evidence are often chosen to show a relationship, not because they are representative of the full universe of PAC-incumbent exchanges. So the anecdotes are almost invariably of PAC successes in the legislative process. But what of PACs representing interests on "the losing side"? PACs and their parent organizations suffer frequent, even monumental losses. Many of the savings and loan victories were won over the opposition of the banking industry, and the real estate interests absorbed big losses (for instance, limiting real estate investments as tax shelters) in the 1986 revision of the income tax laws, sometimes even at the hands of legislators who had received contributions from the realtors' PAC.

Beyond these failures of design and method are problems of explanatory assumption. Many of the PAC-Congress studies use money and the whole apparatus of campaign finance to the exclusion of other explanations of legislative behavior. If the PACs do "buy" the Congress, if we are to conclude they are major shapers of legislative decisions, what then of the ability of the parties, the president, the voters, the lobbyists, and Washington representatives to shape those same outcomes? And what of the impact of the personal beliefs and attitudes of the members themselves? The PAC of the National Rifle Association, called the Victory Fund, disburses about $4 million each cycle ($4.2 million in 1988) to candidates for the Congress; the NRA budget for Washington lobbying probably exceeds that figure. The NRA also commands the loyal support of 2.8 million members, who focus intently, even solely, on NRA issues in their voting and grassroots lobbying. Some western members of the House believe that the NRA vote in their districts can shift vote totals by close to 5 percent. One does not easily separate out the effects of the NRA in these various systems of influence, but it should at least be evident that its PAC contributions have not made its other political activities superfluous.

Academic scholars, for their part, attack the same questions in more systematic ways. They cannot, however, escape the need to establish correlations and to infer cause from them, nor can they escape the problem of simultaneity in doing so. Using larger bodies of data—large numbers of roll call votes, for instance—and more sophisticated measures of correlation, they generally find little if any relationship between the money and the votes. In research typifying the best of academic analysis, Janet Grenzke studied the contributions of ten of the largest PACs to 172 long-term members of the House in the 1970s and early 1980s. The PACs were involved in a wide range of policy issues, and all had specified earlier a list of House votes they were interested in during the period. Using a two-stage least squares regression to control for the effect of factors other than the contributions—the political composition of the member's district, for example—she specified the hypothesized direction of cause in the simultaneous correlation: from money to votes. In the subsequent analysis Grenzke found little support for the hypothesis that PAC contributions influence the roll call votes of House members.[5]

How does one explain the gap between popular knowledge and academic conclusion? In part it results from the usual popular overestimation of PAC will and capacity. PACs themselves are more realistic about their bargaining position with incumbents than is the general public. They say over and over that they want to support like-minded men and women in public office and that they seek only "access" to legislators, an opportunity to persuade or make a case. Organizationally they are not adapted to greater political ambitions than that, and they

5. Janet M. Grenzke, "PACS and the Congressional Supermarket: The Currency Is Complex," *American Journal of Political Science* 33 (February 1989): 1–24. For another study coming to a similar conclusion, see William P. Welch, "Campaign Contributions and Legislative Voting: Milk Money and Dairy Price Supports," *Western Political Quarterly* 35 (December 1982): 478–95.

have come slowly to realize it. As John Wright concluded in his study of the contributions of five of the country's most affluent PACs,

> The ability of PACs to use their campaign contributions to influence congressional voting is severely constrained by the organizational arrangements through which money is raised. . . . Because money must be raised at a local, grassroots level, local PAC officials, not Washington lobbyists, are primarily responsible for making allocation decisions. Consequently, congressmen who desire contributions must cultivate favorable relationships with local officials, and this arrangement tends to undercut the value of contributions as a bargaining tool for professional lobbyists."[6]

Behind that conclusion lies Wright's finding that contributions from the five PACs increased only marginally the probability that the recipient House members would vote the position of the contributing PAC—would shift, that is, from an expected vote as measured by the liberal-conservative scale of the Americans for Democratic Action (ADA). Ultimately, Wright comes to the conclusion of many other political scientists: "Of the numerous variables that influence the voting behavior of congressmen, the campaign contributions of PACs appear to take effect only infrequently. Only when other cues, such as party, are weak can PAC contributions be expected to be important."[7] In short, what PACs do is a reflection of what they are able to do. The ability, in turn, stems from their own nature and the bargaining position of incumbents in the exchange.

Such conclusions run counter to the conventional wisdom, and like

6. John R. Wright, "PACs, Contributions, and Roll Calls: An Organizational Perspective," *American Political Science Review* 79 (June 1985): 411. The five PACs are the American Medical PAC, the PAC of the American Bankers Association (BANKPAC), the Realtors PAC, the Associate General Contractors PAC, and DEAC, the PAC of the National Automobile Dealers Association. It may well be that Wright's conclusions about organization apply more forcefully to PACs of large, federated membership organizations than they would to some other PACs; to say that, however, is not to say that other PACs do not have their own particular kinds of organizational imperatives.

7. Ibid., p. 412.

most academic writing on campaign finance, they fail to disturb or dislodge it. The supporters of the conventional wisdom are tireless, and they have a platform. They also have telling testimony from members of Congress that PACs do indeed change votes (always the votes of other members) with their contributions. To be sure, the testimony is notoriously unspecific; most (but not all) of it comes from liberal Democrats, some of it is ex parte or self-justifying, and some of it is little more than sophisticated scapegoating.[8] Still, congressional observations are not easy to dismiss out of hand. Insiders of any kind are at their strongest in arguments on the nature of influence in the legislative process.

The common sense of the word *access* also makes the case for the conventional wisdom. If access is indeed the goal of PAC contributions, will PACs settle merely for the "opportunity to persuade"? Won't they expect success in a certain number of instances? Will they be satisfied with an invitation to the gaming table if they lose every spin of the wheel? Moreover, the nature of influence in a legislative body involves much more than final roll call votes. PACs exert influence at other points in the legislative process—in initiatives not taken, in committee amendments, or in special rules affecting floor consideration. Some academic political scientists, one should add, have long shared reservations about an exclusive reliance on roll calls.

A side-by-side illustration of studies of the PAC-committee connection, one by a public interest group and one by two political scientists, makes many of those points. In 1991 Congress Watch, the "legislative advocacy arm" of Ralph Nader's Public Citizen, studied votes in a subcommittee of the House Banking Committee on proposals and amendments to proposals that would "substantially deregulate the na-

8. After Senator Alan Cranston was found by the Senate Ethics Committee to have engaged in "improper and repugnant behavior" in soliciting funds from Charles Keating, he defended himself on the floor of the Senate by asserting that, had he been forced to defeat a censure motion, he could have cited "example after example of comparable conduct" on the part of fellow senators to show that he had violated no Senate norms. "Cranston Accepts Panel's Reprimand, Offers Defense," *Minneapolis-St. Paul Star Tribune*, November 21, 1991.

tion's banks." In its summary, Congress Watch reports, "On five key votes, the top five recipients of banking PAC money averaged $190,378 in receipts and voted against banking interests only 24 percent of the time. Conversely, the five lawmakers who received the least bank PAC money averaged $35,521 in receipts and voted with consumers and against the banking industry 76 percent of the time."[9] The data suggest that the bank PACs are clearly mixing their contribution strategies and that by and large they give much more money to committee members sympathetic to them. One has no hint, however, of how to unravel the problem of simultaneous cause. Is there anything more here than decisions by a number of bank PACs to contribute to House members who had proven themselves sympathetic to the banks' interests and policy positions?

Political scientists Richard Hall and Frank Wayman begin the report of their research on PAC money and House committees by reconstructing the logic of what PACs seek with their contributions:

> First, we suggest that in looking for the effects of money in Congress, one must look more to the politics of committee decision making than those of the floor. . . . Second, and more importantly, our account of the member-donor exchange leads us to focus on the *participation* of particular members, not on the votes. . . . If money does not necessarily buy votes or change minds, in other words, it can buy members' time. The intended effect is to mobilize bias in congressional committee decision making.[10]

Hall and Wayman focus, therefore, on three House committees and three different issues before them—and on the effects of PAC contri-

9. Congress Watch, *Banking on Influence: Bank* PAC *Contributions and Subcommittee Votes on Bank Deregulation*, June 17, 1991, p. 1. The quotations earlier in the paragraph are from the title page and p. 1, respectively, of the same report.

10. Richard L. Hall and Frank W. Wayman, "Buying Time: Moneyed Interests and the Mobilization of Bias in Congressional Committees," *American Political Science Review* 84 (September 1990): 797–820 (emphasis in the original). The article has an especially lucid review of the scholarship on the influence of campaign contributions on legislative decisions.

butions to members of the committees. Instead of using votes in committee as the dependent variable, Hall and Wayman construct a measure of various kinds of participation in the business of committees (such as speaking in committee or offering amendments during markup). In each of the three cases they found that PAC contributions had a moderate but significant degree of influence, explaining more than 55 percent of the variance in participation by individual members. PAC money, therefore, mobilized already like-thinking members to more active support of the PACs' interests in committee. Their conclusion about one of the cases applies to all three:

> The more money a supporter received from the dairy PACs and the stronger the member's support, the more likely he or she was to allocate time and effort on the industry's behalf (e.g., work behind the scenes, speak on the group's behalf, attach amendments to the committee vehicle, as well as show up and vote at committee markups). Alternatively, money may have diminished the intensity of the opposition.[11]

Regardless of why the PACs give, they seem to get heightened activity and support from their congressional sympathizers. We are left, however, to speculate about the ultimate results of such support and activity on congressional decisions.

A consensus about PAC influence is emerging among scholars of campaign finance. It is founded on two central conclusions. First, the influence of PAC contributions tends to be strongest on the narrower, less visible issues before the Congress. Members have long called them "free votes," free in that they are liberated from the usually dominant influences of party, district, leadership, and mass opinion. These are the votes available for less influential constituencies (such as contributors)

11. Ibid., p. 810. Hall and Wayman also consider the possibility of simultaneous cause, "that in allocating contributions to committee members during the previous election cycle, a group may attempt to anticipate who the principal players will be on issues it cares about" (p. 809). They deal with the problem by estimating their model of participation using the two-stage least squares procedures.

or even for classic legislative logrolling or horse-trading. Second, the influence of contributions can be directed at all the points of access and influence in the legislative process in the Congress. The kinds of policy refinements and strategic maneuvers crafted in committee may be important for specific interests even though they do not involve great issues of policy. The same can be said of many appointments to the courts and to executive agencies. Contributors do not necessarily seek, or even expect, to score impressive policy victories measured by final roll call votes. In the world of reduced expectations in which PACs are forced to live, the smaller accomplishments have to suffice.

The Hall and Wayman findings narrow the gulf between the academy and conventional wisdom, but the gulf remains. In part it results from major disagreements about evidence and authority, about the credibility of participants and observers in the Congress versus the data-based analyses of scholars, and about fundamental questions of what evidence it takes to come to conclusions. In essence, the gulf reflects different wills to believe. Some scholarship, to be sure, but even more journalistic analysis, begins with deeply set convictions, rooted in the Progressive worldview, about the impact of money on public officials. The line between dispositions to believe and foregone conclusions is very thin.

Most durable are the differences across the gulf on analytical issues. One concerns the credibility of the testimony of participants, and even the weight their words carry, vis-à-vis the detailed data of the scholars. Consider Charles Keating as an authority on the question of the influence of the contributor. Keating, a political pariah now, is nonetheless widely quoted as evidence of the effect of money. When asked by a Senate committee whether his contributions influenced senators to take up his causes, Keating replied, "I want to say in the most forceful way I can: I certainly hope so."[12] The conferral of authority here may reflect

12. David J. Jefferson, "Keating of American Continental Corp. Comes Out Fighting," *Wall Street Journal*, April 18, 1989.

only the news media's fondness for campaign finance machismo, but it may reflect, too, a disposition to give great weight to the words of participants. The danger of granting authority status to participants—contributors or recipients—is that authority is conferred even on clearly self-serving conclusions merely because the authority's message is useful or congenial.

Beneath the controversies over the conventional wisdoms, there are also great differences over who carries the burden of proof. Scholars will not readily consent to demands that they accept responsibility for proving or disproving an assertion they do not make: the one about PACs buying influence over the making of policy. Nor will they concede that any assertion is valid until it is disproven. Ultimately, however, the debate comes down to the kinds and weight of evidence that will establish the tie between money and votes or other activity in the Congress. One of the greatest strengths of any conventional wisdom is that by definition it is validated by the sheer number of people who subscribe to it. Such validation does not yield easily to the desiccated numbers and equations of empirical social science.

The conventional wisdom is vulnerable also for its assumption that PACs dominate the exchange between contributor and candidate—an analytical predisposition that comes out of the late 1970s. But we now have abundant evidence that the exchange is bilateral rather than unilateral, that candidates have leverage in it, and that the incumbents among them increased that leverage in the 1980s as their reelection rates soared. As PACs have shifted more and more to the support of incumbents, and to the search for access to them, their freedom of action has diminished. Whereas incumbents have organized with increasing effectiveness, PACs have not. Nor have they maintained their ability to enforce expectations. PAC sanctions depend on the value of withdrawn contributions, and since PACs have continued to disperse their contributions widely, the average PAC contribution amounts to well less than one-half of 1 percent of the average House incumbent's receipts in an electoral cycle. Even a major contribution of $5,000 or more accounts for only a few percent of the average candidate's receipts. Consequently, the PAC position in the 1990s is not what it was in the 1970s.

Finally, the countervailing controls of American pluralism constrain even the most determined PACs. Organizations of interests have greatly proliferated since the 1970s. The larger the number of groups (that is, PACs), the greater the offsetting and limiting effect on the political claims of any one of them. The greater the number of PACs making contributions to a specific member of Congress, the greater the likelihood that the claims of one on his or her loyalties will be opposed by the claims of another. In the words of Representative Barney Frank, a Democrat from Massachusetts, "Business PACs invest in incumbents. It's the banks against the thrifts, the insurance companies against the banks, the Wall Street investment banks against the money center commercial banks. There's money any way you vote."[13]

A caveat to that conclusion is, however, in order. The mechanism of offsetting, countervailing group activity probably best fits policy disputes over the larger issues that are part of broader ideological positions—over issues such as Medicaid funding or hazardous waste disposal. The model works less well when the dispute is single-sided, where the activity of one set of interests does not jolt another set of interests, perhaps those of consumers, into action. The nonresponding interests may be too general, too invisible, or of too low a priority to warrant political action. So the hypothesis of countervailing interests meshes well with the conclusion that PACs have their greatest impact on the less visible politics of narrow and particularistic interests in which the conflicts, and thus the controls, of pluralism are not joined.

Critics of Tony Coelho and the DCCC raise an issue with a new twist on the money-votes relationship. If it is in fact true that the money, especially the PAC money, follows the voting records of incumbents, why can't incumbents change the record to lure the money? That, they charge, is exactly what the House Democrats did under Coehlo's lead-

13. Quoted in Robert Kuttner, "Ass Backward," *New Republic*, April 22, 1985, p. 22.

ership in the early 1980s. It is true that Democrats began to attract more business money then and that Coelho unabashedly urged the party to do so. It is also true that PACs closely scrutinize the voting records, or "scores," of incumbents. The argument suffers, however, from the monism that haunts the subject: the belief that money explains all. Why the assumption that the Democrats are politically so free to move to the center—that the influence of money rather than the mood of voters governs their political calculus? What, too, about the countervailing influence of other contributors, especially those of organized labor, that fight for a move *away* from the center? Logic and assumptions aside, however, the central factual premise of the argument does not hold up. The ratings of the roll call positions of House members by the AFL-CIO, the U.S. Chamber of Commerce, the Americans for Democratic Action, and the American Conservative Union all give House Democrats collectively a more liberal score in 1990 than they had in 1980.[14]

That an increasingly national "contributor constituency" has entered American electoral politics seems beyond contest. Electoral politics remain local because the constituencies are geographically defined with only one representative and two senators per constituency and because the American political parties have been decentralized and local. Now PACs and other representatives of national interests find a small but measurable additional edge in electoral politics. They increasingly ally themselves with the lobbying of the interests they share, and it becomes increasingly difficult to say whether their victories come through contributing or lobbying. It is far easier to say simply that contributions have become one more limited means among many in the pursuit of policy goals—one more piece of evidence that the localism of American electoral politics is increasingly anomalous. Campaign

14. The specific scores of the liberal groups rose: the AFL-CIO score rose from 67 in 1980 to 82 in 1990, the ADA score from 57 to 71. The acceptability scores of the conservative groups dropped in the same span of years; the chamber's score went from 59 to 34, the ACT score from 30 to 20.

finance serves as a shaper of national politics as well as one of its consequences.

THE PURCHASE OF ELECTIONS

"As a general rule," Benjamin Disraeli once said, "nobody has money who ought to have it."[15] It is precisely on the maldistribution of campaign money, especially the paucity of it in the hands of challengers, that the second great argument of the post-1974 regime centers. After the alleged buying of the Congress, it is the alleged buying of the elections to the Congress that most worries Americans. Many of them are convinced that incumbents are winning reelection at such stunning rates precisely because the incumbents have too much money and their challengers have too little.

The facts are undeniable. Challenger financing has deteriorated in the 1980s by all measures. In 1980 the average House major-party challenger running against an incumbent in the general election spent $100,458 in the entire campaign; by 1990 that figure was only $109,377, and only $54,563 in 1980 dollars. The average incumbent spent $165,509 in 1980 and $399,310 in 1990 ($199,197 in 1980 dollars). Obviously the incumbent-challenger gap was opening; the ratio was 1.6:1 in 1980 but 3.7:1 in 1990. General-election challengers found it increasingly difficult to raise money from PACs; PACs gave them 25.8 percent of their contributions to House candidates in 1980 but only 6.7 percent in 1990. House challengers, in fact, became increasingly dependent on their own resources in the 1980s. Data for 1980 are unavailable, but in 1984 general-election challengers, in a combination of contributions and loans to themselves, accounted for 11 percent of their receipts. By 1990 they provided 19 percent of their receipts; PACs accounted for only 17 percent.

For mass opinion and its shapers, such data lead to an easy conclu-

15. The aphorism is cited in Laurence J. Peter, *Peter's Quotations* (New York: Morrow, 1977), but its source is not given.

sion. Incumbents win so often because they outspend their opponents so greatly, and challengers fall to win because they lack the resources with which to mount a winning campaign. For the scholarly community the conclusion does not come as easily, for once again it sees a problem in simultaneous cause. Do candidates win because they spend more money, or do they get more money, and spend it, because they win? The structure of causal problems is much like the problem of simultaneous cause in PAC contributions and policy outcomes in the Congress: is the financial contribution made because of the expectations about the recipient's victory some months hence, or does the contribution buy the campaigning that shapes the election outcome? That is, do underfunded candidates fail because contributors think their fate is sealed months before election day?

The other side of the argument is equally straightforward: challengers lose because they cannot spend enough. It is a fact not only that challengers in the aggregate fail to raise and spend the sums incumbents do but also that the challengers who spend the most collectively win the greater share of the two-party vote. The percentage of challengers' general-election vote rises as they narrow the incumbent-challenger spending ratio or as they increase their dollar spending in the campaign (see table 1).

Before one leaps to the conclusion that incumbents win and challengers lose because of the state of their campaign resources, there are contrary bits of data to reckon with. House incumbents won reelection at rates well above 90 percent long before they established their present funding superiority; the cumulative reelection percentage of House incumbents from 1950 through 1970 was 91.8 percent.[16] Furthermore, the general political strength of incumbents can easily be traced, not to their campaign treasuries but to all the advantages of office they enjoy. The postal frank, their easy access to the media, their district offices,

16. That is, 4,064 of 4,428 incumbents seeking reelection were successful. Data from Norman J. Ornstein, Thomas E. Mann, and Michael J. Malbin, *Vital Statistics on Congress, 1989–1990* (Washington, D.C.: Congressional Quarterly Press, 1990), p. 56.

TABLE 1. Relationship between Challenger Spending and Challenger Vote Share: 1984–1988

	MEDIAN GENERAL ELECTION VOTE (%)		
	1984	*1986*	*1988*
Challenger:Incumbent Spending Ratios*			
Up to 1:3	28	27	27
1:3 to 1:2	36	35	37
1:2 to 1:1	43	41	40
1:1 to 2:1	45	38	43
More than 2:1	46	41	39
Challenger Total Spending Ranges			
Up to $5,000	24	23	24
$5,000 to $25,000	27	26	26
$25,000 to $75,000	32	30	29
$75,000 to $250,000	38	35	36
More than $250,000	45	43	42

*Includes only major-party, general-election House challengers running against an incumbent in the general election.

SOURCE: Federal Election Commission.

and their staffs for "servicing" constituents all have grown in recent decades, at least partly to buttress their reelection chances.[17] Less obviously, perhaps, the growing difference between the receipts and the expenditures of incumbents—their larger sums of cash on hand—suggests that contributors give to them not to help them win but because they are going to win, a conviction that accounts for the PACs having reduced their support of challengers. But all these clues aside, the major attack on this problem in simultaneity has come in the scholarly work of Gary Jacobson.

The problem is easily defined. The percentage of the vote the challengers get is related to the sums they spend: the greater the dollars, the greater the votes. Money and votes are reciprocally related, however,

17. On the use of congressional perquisites for developing constituent support generally, see Morris A. Fiorina, *Congress: Keystone of the Washington Establishment* (New Haven: Yale University Press, 1977).

because challengers raise money on expectations about their ability to get votes. So how to show that the spending of challengers actually does affect the size of the vote they get? One way is through the same two-stage least squares procedures Janet Grenzke used to stipulate the direction of cause in the similar problem of the correlation between PAC contributions and the roll call votes of their recipients in Congress. A second is to use poll data to relate incremental changes in spending to incremental changes in probable vote stage by stage during the campaign. Both avenues brought Jacobson to the conclusion that challenger spending did indeed lead to increases in challenger votes.[18]

The dynamic that relates challenger money to challenger votes can then be outlined. Spending money in the campaign buys visibility and greater "likely support" for challengers, which also means that spending results in the rising expectations that enable them to raise even more money. As Jacobson put it, "Candidates are given money according to how well they are expected to do, but campaign expenditures have an independent effect on how well they actually do, because without them, the expectation would not be realized. The process is largely recursive because elite perceptions and strategies determine how much is spent in campaigns, and the level of campaign spending in turn determines how much is known about candidates and therefore how much support they actually receive from voters. Elite expectations about how the vote will go are only fulfilled if they do, in fact, supply enough money to the candidate."[19] The problem, therefore, is that although money would help them greatly, challengers have increasing trouble in raising it in the first place.

The importance of campaign funds for challengers, moreover, was

18. Gary C. Jacobson, *Money in Congressional Elections* (New Haven: Yale University Press, 1980). See also Jacobson's restatement and reconsideration in "Money and Votes Reconsidered: Congressional Elections, 1972–1982," *Public Choice* 34 (1985): 7–62. For another view of the theoretical problem and additional poll data, see Jacobson, "The Effects of Campaign Spending in House Elections: New Evidence for Old Arguments," *American Journal of Political Science* 34 (May 1990): 334–62.

19. Jacobson, *Money in Congressional Elections*, p. 162.

highlighted by Jacobson's conclusion that incumbent spending produced no increase in the incumbent's share of the vote. In fact, the more incumbents spent, the worse they did—not because their spending lost them votes, but because they had to spend more when challengers began to encroach on their electoral margins. Other scholars have challenged that finding about incumbent spending, and the debate is yet to be resolved.[20] Nonetheless, few would argue that the effect of incumbent spending matches that of challenger spending; it seems likely, at least, that one increment of challenger spending (an extra $25,000 perhaps) has more effect on voter awareness than does the same increment in incumbent spending. If the challenger is spending at lower levels than is the incumbent, challenger spending will also be more efficacious per increment because of the decreasing marginal utility—the smaller successive impact on the vote of each increment—of campaign spending.

Incumbents continue to outspend and then to outpoll their challengers, but to conclude that incumbents "buy" reelection or that spending leads to the margin of victory misstates the problem somewhat. Incumbents build support in their constituencies largely by virtue of the perquisites of office and by reason of the visibility and name recognition they routinely achieve. Ultimately the greatest advantage the incumbents have is not their campaign money; it is the expectation early in the election cycle that they can and will win reelection. It is that expectation that makes it so difficult for challengers to raise the money by which they might effectively overcome the incumbents' advantage in the campaign and election.

For Americans who value competitiveness in elections, the issue is of the greatest magnitude. It is simply that the campaign finance system offers challengers no weapons with which to overcome the advantages of incumbency. The challengers lack money because the incumbents' reelection prospects are so strong as to discourage both the emergence

20. Contra the Jacobson conclusion, see Donald P. Green and Jonathan S. Krasno, "Salvation for the Spendthrift Incumbent: Re-estimating the Effects of Campaign Spending in House Elections," *American Journal of Political Science* 32 (November 1988): 884–907.

of appealing challengers and the willingness of potential contributors to invest in electoral politics. The solution to the problem, therefore, rests either in reducing the advantages of incumbency or in getting money to challengers in time to entice both strong candidates and more contributors. The post-1974 regime faces no greater challenge.

ARTFUL DODGING AND SKILLFUL AVOIDING

The conventional wisdom is right at last: the regulatory vessel is in fact leaking. Important activity and individuals escape its requirements for reporting, and money flows outside of its controls in swelling torrents. One need only tick off the specifics: bundling, soft money, brokers, independent spending, fund-raisers netting six-figure totals in America's urban centers. However one may wish to describe the structural flaws—as "leaks" or "loopholes"—the integrity of the post-1974 regulatory structure is at grave risk.

The assault on the structure of regulation—the statutorily defined campaign finance system—comes in various ways. There are, first, the actors and the activity in violation of explicit statutory limits. The individuals exceeding the $25,000 annual limit on contributions are the most widely publicized case; ambitious investigators now vie to find new miscreants in the computer records of the FEC. Second are the invisible brokers and transactions that remain only partially within the governance of the system; the money they raise and its origins are reported, but neither their role nor the aggregate sums they organize are. Similar are the formal bundlers, many of whom press the limits of permissible control over contributions. Third are the sums raised and spent outside the limits of the system. Soft money (previously discussed) and independent spending provide the major examples. The 1974 amendments to the FECA set strict limits on the sums of money that groups or citizens could spend independently in a campaign—that is, without the control or even the knowledge of any candidate. Like everything else in the FECA, those provisions have a history. Spending by groups other than the candidates had been the stock device for dodging earlier attempts to control spending and ensure full reporting of all contributions. The Supreme Court, however, struck down those limits in *Buckley v. Valeo*, leaving only the requirement that independent expenditures be reported to the FEC.

Enter John Terrence ("Terry") Dolan, founder and executive director of the National Conservative Political Action Committee (NCPAC). NCPAC surfaced for the first time in the election of 1978, but it became a household acronym in 1980 after spending $3.3 million independently in the presidential and congressional campaigns of that year. It spent $1.1 million of that total to challenge six liberal Democratic senators running for reelection: Birch Bayh of Indiana, Frank Church of Idaho, Alan Cranston of California, John Culver of Iowa, Thomas Eagleton of Missouri, and George McGovern of South Dakota. Bayh, Church, Culver, and McGovern were defeated, and NCPAC boldly took the credit. There were other less arresting explanations for the losses—the Reagan and conservative triumphs of 1980, the growing gulfs between the losers and their conservative constituencies, for example; but they were pallid stuff next to the swashbuckling of NCPAC. A potent new political tactic, independent spending, had arrived.

The post-1974 beginnings of independent spending are obscure. Record keeping at the FEC was in its infancy in 1976, and its data on independent spending in that cycle are incomplete; the best guess is that about $2 million was spent independently, with all but $400,000 spent in the presidential campaign. Another $300,000 or so was spent in the 1978 congressional elections, and then came the eye-grabbing jump to a total of $16.1 million in 1980 (see table 2). NCPAC alone accounted for almost half of the $2.3 million spent independently on congressional races in 1980, and, flushed with the successes of 1980, it exceeded that mark in 1982 with $3.1 million of the $7.1 million spent on races for Congress. NCPAC's dominance ended slowly after that, but independent spending hit its highest level in congressional campaigns in 1986: $9.4 million. By 1990 it had fallen back to a total of $1.8 million in the

TABLE 2. Independent Spending in Presidential and Congressional Elections: 1980–1988

	PRESIDENTIAL			CONGRESSIONAL		
Year	*Total (in millions of $)*	*Against Incumbent (in percent)*	*Republican (in percent)*	*Total (in millions of $)*	*Against Incumbent (in percent)*	*Republican (in percent)*
1980	$13.75	5.9%	96.6%	$2.34	58.9%	83.9%
1982	.19	.8	50.2	7.10	72.5	75.9
1984	17.47	4.8	93.4	5.95	44.3	49.7
1986	.84	5.4	88.9	9.36	14.2	58.9
1988	14.13	24.8	94.9	7.21	16.5	64.1
1990	.50	35.1	98.0	1.77	15.7	48.6

SOURCE: Federal Election Commission.

House and Senate campaigns. Amid all the ups and downs, independent spending has been constant in one way: except for the congressional elections of 1984, it has been consistently pro-Republican, often overwhelmingly so (see table 2). No other kind of spending in all of American campaign finance has so consistently favored one party by such margins.

Even at their zenith, independent expenditures on congressional elections never accounted for major sums. The record $9.4 million in 1986 was only 2 percent of the cash expenditures ($450.3 million) by all candidates in that year's campaigns. Moreover, the effective sums were greatly exaggerated. The splashiest spenders in the 1980s—NCPAC and an assortment of PACs supporting Republican presidential candidates—were PACs without parent organizations, "nonconnected PACs" in the parlance of the FEC. They raised their money in costly direct-mail solicitations; and with no parent to pay overhead, not to mention fund-raising expenses (postage, printing, computerized mailing lists), they had to absorb all of these costs out of the money they raised. Estimates vary, but shrewd and careful reports found that only 5 to 20 percent of their receipts went into campaign activity as it is usually understood—into television or newspaper ads or campaign brochures or mailings. Nevertheless, NCPAC and its siblings systematically overstated their campaigning by reporting solicitation costs as a part of their independent spending because the solicitation letter contained a plea for action in support of or opposition to specific, named candidates.[21]

Such scrupulous reporting to the FEC helped create a myth. The NCPAC millions took headlines in 1980 and 1982, although totals in the hundreds of thousands of dollars might not have. Moreover, NCPAC and Terry Dolan cultivated an image that combined the arts of guerrilla warfare (targeting, hit lists) and a new amoral Machiavellianism. That Dolan should so baldly say that "a group like ours could lie through its teeth and the candidate it helps stays clean" was titillating enough;[22] that it should come from a thirtyish executive director with the youthful looks and seeming innocence of a choir boy made it the stuff of sensation. NCPAC and independent spending merged to create the archetype of a ruthless ideological, single-issue politics.

Although the great ideological PACs dominated independent spending in its palmiest years, they did not monopolize it. A Californian by the name of Michael Goland spent $1.1 million in 1984 to urge the defeat of Illinois senator Charles Percy, a liberal Republican. It was by far the largest sum spent by an individual in the post-1974 regime. Percy got only 48 percent of the vote, losing to Democrat Paul Simon, but even experienced analysts find it hard to assess the impact of the billboards and other ads Goland bought. Closed-mouthed about his political agenda, Goland owns up only to a concern for animal rights and people with disabilities. Goland-watchers add a deep concern for Israel and conservative Republicanism to that list. Goland reappeared in the 1988 campaign, indicted after it was over for making illegal contribu-

21. For example, the researches of Michael J. Malbin on the subject are reported in Ronald Brownstein, "On Paper, Conservative PACS Were Tigers in 1984—but Look Again," *National Journal*, June 29, 1985, p. 1504. The rules of the FEC require that letters raising money for a specific candidate or candidates be treated as independent expenditures themselves; it is not clear to me that all of the indirect costs in getting that letter to the reader must also be reported.

22. Quoted in Myra MacPherson, "The New Right Brigade," *Washington Post*, August 10, 1980.

tions of more than $100,000 to an American Independent Party candidate for the U.S. Senate.

It would be wrong to suggest that independent spending has been entirely in the hands of the political buccaneers. By the late 1980s a few large-membership PACs, such as the Realtors PAC and the American Medical PAC, began to spend independently in congressional elections; generally their interventions were in favor of candidates, with only a few smaller PACs making the kind of "negative" expenditures NCPAC had made famous. AMPAC spent $1.6 million on behalf of fourteen congressional candidates in 1986, and the Realtors PAC spent $1.7 on behalf of six; in 1988 the level of spending dropped to $.8 million by AMPAC and $1.3 million by the Realtors PAC. In neither year did either PAC spend a cent to oppose a candidate.

In the mid-1980s, in fact, it seemed that some larger PACs would incorporate such spending into their contribution strategy, putting a second arrow in the quiver. There was even talk of retreating to it if the Congress further restricted PAC contributions. But that prospect faded along with the heyday of NCPAC and its clones. Independent spending created intraorganizational problems for the PACs that tried it; some of their donors either did not approve of it generally or were outraged at the PACs' choice of targets. It also raised the wrath of incumbents, especially when it was spending in favor of challengers, and they quickly learned to ignite voter backlash to it. Indeed, candidates complained even when the spending favored them; none of them wanted any part of what the public sees as their campaigns to be beyond their control.

Those explorations by mainline PACs opened up another issue that had festered for some years: the meaning of independence. How, for instance, could a large PAC making contributions to congressional candidates and discussing their campaigns with them also make independent expenditures in which there was no cooperation or contact with the candidate? Or what of an independently financed media campaign supporting candidate J when the commercials are designed and placed by the same media consultants working for candidate J's campaign? And how are voters to know who is responsible for independent expenditures on television when the credit line is invisible to most viewers? Independence comes down in the end to small but important details.

Independent expenditures happen to exploit a gap in the regulatory system created by the Supreme Court's application of the First Amendment to it. Soft money, however, flows in presidential campaigns as a result of an intended exclusion from the system and the constitutional status of American federalism. Most of the bundling and high-stakes brokering result from the failure of the authors of the FECA, whether out of faintheartedness or lack of foresight, to place intermediaries securely within the regulatory structure. So, the natures of the leaks differ; they are far too varied in both origin and purpose to bear the single pejorative label of loophole. Calling them loopholes blurs moral and ethical distinctions in a subject in which moral and ethical judgments abound.

Such judgments are the first reason for concern about the integrity of the regulatory structure. Its impairments invite and receive public denunciation of campaigns, campaigners, and campaign finance. Americans do not take kindly to avoidance, no matter how legal or even ethical, of systems of regulation; avoidance carries the stigma of self-servingness compounded by excessive cleverness. Independent spenders may be exercising a First Amendment right in the most open and direct way, but they are not treated much more charitably than the trimmers and shavers who bundle ever more creatively to escape the statutory limits on the size of contributions. In short, breaches in the integrity of the structure give rise to blanket judgments untempered or ungraded by any fine distinctions among the kinds of breaches.

The problems, however, extend beyond those of public judgment. The breaches create massive administrative problems, especially in reporting. Again, independent spending is a splendid case in point. The only other spending in the campaign permitted by the FECA is that by the candidates and the party committees, both of which must register with the FEC and make periodic reports to it. Their officials become institutionalized reporters and trained compliers, most of them also aided by accountants, lawyers, and computer software. A Michael Goland must report his independent spending, but he is not in the same sense institutionalized, nor is he a trained complier with the FECA. He is not registered with the FEC, and he does not have to report his contributions to actors who are. Similarly, many of the ad hoc groups making independent expenditures in presidential campaigns are transient, striking tent as soon as the election is over. It is neither a secret nor a surprise that the FEC has had to work hard to piece together full reports on independent spending in an election cycle.

On this and other matters of administration and enforcement, the FEC suffers from an uncertain authority. The placement of exchanges and flows of money on the peripheries of the regulatory system means, in effect, that they also sit on the peripheries of the FEC's authority. One need only cite the great controversies, including the intervention of the federal district court for the District of Columbia, over the FEC's handling of the soft money controversy. It has been almost equally vexed by the bundling inventions of the National Republican Senatorial Committee. Underfunded by the Congress and kept on a short leash for fifteen years, the FEC has never been able to establish its independence as a regulator; its even division between three Democrats and three Republicans has made it additionally difficult for the commission to deal with problems that are inevitably partisan. These leaks in the regulation system have only further embarrassed it and given its sterner critics more reason for criticism.[23]

Administrative problems are closely related to mechanisms of responsibility. The major institutionalized actors—PACS, parties, and candidates—respond to various systems of control or responsibility: voters, members, parent organizations, representative bodies, public officials, or mass opinion, as the case may be. On the other hand, brokers

23. See, for example, Brooks Jacobson, *Broken Promise: Why the Federal Election Commission Failed* (New York: Priority Press, 1990).

such as Charles Keating or a well-heeled individual contributor make no reports to the FEC, and no other institutions or responsible bodies stand behind them. With no visibility and no long-term interest in the political system, the brokers may have no political reputation at stake; often, too, they offer no target at which the wrath of voters can be directed. The political controls of reputation and the ballot box are imperfect at best, but they do work more effectively on visible, committed political actors with continuing stakes in politics.

When the integrity of the regulatory system suffers, so too do the morale and the law-abidingness of those clearly within the regulatory perimeters. Compliance with both the letter and the spirit of a regulatory structure cannot easily survive the impression that the structure catches only some of the players while others go free. The belief that "I've been playing by the rules while those guys have been getting away with murder" has a corrosive effect on compliance, and compliance is that act of self-enforcement on which all legitimate and effective systems of regulation depend.

It almost goes without saying that breaches in the regulatory system sabotage the achievement of the initial purpose of the regulation. If the purpose was to limit PAC contributions to $5,000 per candidate per election, any modus operandi that permits groups of potential PAC contributors to give their cash instead as individuals defeats both the limit and the congressional intent that their money be identified with the interest that recruited it.

ARE CAMPAIGNS TOO EXPENSIVE?

Each round of debates over congressional campaign finance is, in the words of Yogi Berra, déjà vu all over again. Putting a cap on campaign expenditures was high on the agenda of a reform in 1974, and it still is. The Supreme Court struck down the FECA's limits on all spending in *Buckley*, and reformers have been trying to find a way of restoring them ever since. So strongly convinced are the American people that campaigns cost too much, so firmly placed on the agenda of reform is the issue, that it flourishes in the 1990s despite the stability of expenditures in congressional campaigns. Not only does the issue persist, but its rhetoric about skyrocketing and escalating expenditures remains impervious to any new realities.

It is virtually a truism that the case for spending limits rests on the premise that the costs of campaigning are too great. For many American adults the standards for making such a judgment are implicit; the spending is just "too much"—too much perhaps by standards of middle-class personal finance, too much because of the imagined rate of runaway increase in them. Or too much perhaps in terms of value, in terms of the worth of the product or service the money produces. The campaigns, or the parts of them they happen to notice, are simply not worth those sums, just as $40 is not too much for a good steak dinner but is an outrageous price for a bad one.

The many cries of "too much" reflect negative judgments about politics and the entire public sector. Those judgments similarly govern public opinion about the salaries of public officials. Inherent in them is a double standard, one code of behavior for the private sector and another for the public sector. Political scientists are fond of making the public-private comparison in campaign finance with data on advertising expenditures, for advertising campaigns are, like campaigns for public office, an exercise in information and persuasion. Americans are shocked by total expenditures of $445.2 million in the congressional campaigns of 1990, but in that same year Sears Roebuck, the giant merchandiser, had an advertising budget in excess of $1.4 billion.

The case against present spending levels is much stronger on pragmatic or consequential grounds. These arguments are, however, not about spending per se but about the need to raise the money in order to spend it. They go this way:

- Present levels of spending are too high because, in order to raise the funds to spend, elected public officials must take too much time and energy from their public responsibilities. It is now almost a commonplace that a U.S. senator must raise $12,000 a week for six years in order to amass the $3.5 to $4 million for a typical Senate campaign.

- The pressures to raise those sums for a Senate race, or close to half a million for a House campaign, drive candidates to seek money in large sums at a time when contribution limits are shrinking because of inflation. Initially, candidates replaced small individual contributors with large PAC contributions, and now even the usual PAC contribution is small compared to the take at a brokered fund-raiser in Los Angeles. A senator can make a flying trip to a distant spot for a quick reception and return to Washington with $50,000 or $100,000 in campaign resources. Spending levels, that is, affect how money is raised, where it is raised, and with whose help it is raised.
- The ability to raise funds becomes a substantial qualification for candidates. Candidates of knowledge, experience, and even wisdom may lack the skills or the stomach for begging funds from people they scarcely know; the need to do it may discourage them from seeking office. Worse than such a shrinking of the pool of talent is the possibility that the consequence will be to recruit and elect candidates whose skills in raising money and conducting a campaign are their chief or even their only major attributes.

The problem with elevated spending levels seems to be that one needs to raise the money in the first place.

Probably the most direct and reasonable judgments about spending levels are the ones based on a stipulated minimum campaign. If the candidate needs at least to be able to do A, B, and C in order to run a competitive campaign that also honors the need for an informed electorate, then the minimum cost of A, B, and C, with appropriate staff and overhead, frames a reasonable cost for the campaign. One recent and authoritative manual for campaigners posits a budget of $600,000 for a House challenger. Its direct-mail figures total about $150,000 for only two mailings to the approximately 200,000 households of a congressional district; it also provides $100,000 for radio and television commercials, a sum that will yield three high-visibility campaigns for three television spots in many metropolitan markets.[24] The budget is perhaps overweighted with personnel and overhead costs, but it is hard to avoid the conclusion that a campaign of $500,000–$600,000 is something less than profligate.[25] In view of the fact that the average major-party general election candidate spent less than half of $500,000 in 1990 and that even the average open-seat candidate spent $484,000, one can make a plausible argument that candidates spend too little, not too much, in congressional campaigns.

Leaving aside the strength of popular and reformist feelings on the point, there is a basic conceptual problem here. Not one but two issues are entwined: the need for the money and the costs to the system of raising it. It is easier to justify the spending levels than the effort that has to go into raising the cash in the first place. So we are raising too much money and yet not really spending enough in the campaigns for Congress. It is a paradox that recalls Mark Twain's observation about good bourbon: "Too much is hardly enough."[26]

REALITY AND REFORM

Even the experts and activists find it difficult to reach a judgment about American campaign finance. The mass public necessarily comes to its understandings about it without any profound knowledge, often with-

24. For the Minneapolis–St. Paul television market, by no means one of the country's most expensive, one pays about $100 a "rating point" for television advertising (i.e., $100 for reaching 1 percent of households once); so for a single campaign ad campaign $30,000 will yield approximately 300 points, or 80 percent of households three or four times.

25. S. J. Guzzetta, *The Campaign Manual: A Definitive Study of the Modern Political Campaign Process*, 2d rev. ed. (Alexandria, Va.: Political Publishing, 1987). The proposed budget is on p. 83.

26. I am indebted to Charls Walker for the Twain quotation. Neither he nor I know the occasion on which, or the essay in which, Twain made the observation.

out even basic information. Citizens are compelled to watch the shadows projected on the vast wall in front of them. They take their conclusions and judgments as they see them in the dance of distorted images. Of necessity, their judgments are the judgments of those who project the images.

In the opinions on all of the major concerns about the post-1974 system, the consonances and dissonances are consistent. Whether it is the PAC-Congress connection, the impact of money on the winning of elections, or the judgments about spending levels, mass opinion and image-making opinion are in agreement. Their consensus, moreover, diverges in all three instances from much of scholarly and other expert opinion.[27] It is hardly a novel outcome, for expert opinion is often at odds with mass opinion over the analysis of public problems and policy solutions. It is, in fact, one of the oldest and most troubling dilemmas in the governance of mass, popular democracies.

The successes and failures of the post-1974 regime present the dilemma in a heightened form. Mass opinion about campaign finance increasingly feeds a cynicism about, even a rejection of, basic democratic processes. Any threat to mass involvement in or acceptance of electoral politics threatens the essence of representative government. The resulting conflict of equities could not be more disturbing. Is one to adopt policies that address the real problems of the system, as the informed best understand them, or ought one to devise change that will lay to rest the fears and anger of a disaffected public? Can we indeed win back disaffected citizens and solve real public problems at the same time? It is the hardest of the policy questions, this intersection of image and reality, of mass politics and expert prescription—especially when the

27. I want to be clear that in referring to scholarly opinion I am talking about more than my judgments. I have cited examples of scholarly opinion about the first two issues; as for the question of spending levels, see, inter alia, Larry J. Sabato, *Paying for Elections: The Campaign Finance Thicket* (New York: Priority Press, 1989), especially chapters 2 and 3.

divergence is not only over ultimate policy goals but over the reality of the problem itself.

Whether by accident or prescience, the justices of the U.S. Supreme Court recognized the dilemma in the majority opinion in *Buckley v. Valeo*. Congress could act to limit the constitutionally protected flow of campaign money only in the case of "corruption or the appearance of corruption," either in the instance of certifiable corruption by some unspecified standards or in the instance of some widespread belief that institutions were being corrupted. So Congress might apparently act on the basis of one reality or the other, on the basis of the image behind the viewer or the image projected on the wall. Is it to make no difference if one reality could meet standards of truth or validity and the other could not? The answer, in the world of democratic politics, depends on crafting reforms that serve both reality and its appearances.