The Heritage Foundation Backgrounder

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A CONSERVATIVE AGENDA FOR COMPREHENSIVE CAMPAIGN REFORM

INTRODUCTION

Campaign reform is high on its agenda as Congress reconvenes this week. Congress has pending before it a wide variety of reform proposals, including an eleven-point plan submitted by George Bush on June 29. At the heart of the campaign reform issue should be one overriding objective: making congressional elections more competitive. Reforms are needed to end what *The Imperial Congress*,[1] calls the "entrenched incumbency" of an almost "permanent Congress."

Favoring Incumbents. A key reason for the disappearance of electoral competition has been the federal campaign laws, especially the finance laws. Originally intended to "clean up" politics and reduce the role of money in campaigns, the laws instead have insured that incumbents receive the great bulk of campaign money and have prevented challengers from mounting serious campaigns.

Incumbents running for reelection in the House of Representatives in 1988 won 98.5 percent of their races.[2]

1 Gordon S. Jones and John A. Marini, eds. *The Imperial Congress* (New York: Pharos Books, 1989).

2 Compilations of statistics in Federal Election Commission Final Interim Report, February 24, 1989, pp. 47-67 (hereinafter "FEC, 2/24/89").

Incumbent senators fared only slightly worse, winning 85 percent of the time.[3]

The margins of victory in Senate and House races, moreover, have increased dramatically in recent elections: Victors in nearly 86 percent of all 1988 House races were either unopposed or won by margins of at least 20 percentage points. In 1976, only 69 percent won by such margins.[4]

The share of senators running unopposed or winning with more than 60 percent of the vote rose from 38 percent in 1976 to 55 percent in 1988.[5]

Discouraging Voter Participation. What causes increasing incumbent invulnerability and lack of competition in United States congressional elections? Are incumbents winning because they are in step with the voters or because the rules give them an advantage? And what are the effects of seemingly invincible incumbency on voter participation? Are even more voters inclined to opt out of the political process when they see that their votes are unlikely to influence election outcomes?

Such questions have led observers from across the political spectrum to propose congressional electoral reform. Conservatives have criticized increased use of the free mail franking privilege, other government-created "incumbent protection" devices, and laws that give corporations and labor unions unfair fund raising advantages over individuals and grass roots organizations. Liberals argue that any system of privately funded elections is unfair. Their objective is to replace private financing of elections with a publicly financed – and hence bureaucratically regulated – election process.

Although such liberal solutions as public financing are deeply flawed and essentially anti-democratic, reforms in the rules governing congressional elections clearly are needed to level the playing field for candidates and for voters.

PROBLEMS WITH THE CURRENT CAMPAIGN SYSTEM

Congress, predictably acting in its self-interest, has created most of the problems that ensure incumbent re-election. Examples: Congress has given itself free mailing privileges and large staffs. It has given special advantages to corporate and labor union Political Action Committees (PACs). It has mandated that union dues be deducted directly from workers' paychecks, thus financing labor union political activities. It has limited sharply the role of individual contributions to political campaigns and has curtailed the ability of political parties to support congressional candidates.

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3 *Ibid.*, pp. 40-46.

4 Compiled by former Representative Mick Staton, Manager of Political Affairs for United States Chamber of Commerce, from Federal Election Commission reports.

5 *Ibid.*

Some incumbent benefits exist due to congressional inaction. These include the right to keep excess cash in a campaign account even after the election is won, and the lack of objective standards for drawing congressional district lines. Without such standards, a congressional district can be created according to political standards that guarantee one-party control of the seat in Congress.

The Franking Privilege and Other Incumbent Perquisites

Free mail, computer equipment and software, large staffs, increasing office expenses, and expanding district offices create a permanent, taxpayer-financed reelection effort for members of Congress. Since World War II, the combined House and Senate legislative budget, which pays for the members' perquisites, rose from $54 million to $ 2.2 billion.[6]

Although members of Congress have a legitimate interest in maintaining ties with their constituents and helping them on federal matters, incumbents' resources far exceed those necessary to perform such tasks. Congressional office staff, for example, has exploded from a small group of personal aides to a massive contingent that performs the tasks of old-time ward heelers. From 1947 to 1986, the total number of member and committee staff rose from 2,400 individuals to almost 15,000. By 1986, about 44 percent of the House staff and more than one-third of the Senate staff served in district and state offices rather than in Washington, D.C.[7] House reelection rates, meanwhile, soared from 79 percent in the 1940s to nearly 99 percent by the late 1980s.[8]

Increasing Name Identification. Of all the incumbent advantages, perhaps the greatest is the franking privilege: the ability of incumbents to send free mail to constituents. In 1988, members of Congress sent out nearly 900 million pieces of mail. Franked mail allows incumbents to increase their name identification with voters. One study shows that congressmen send about 50 percent more mail in an election year than in the previous off-year.[9]

During the 1988 election year, franking costs to the taxpayer soared to an unprecedented $114 million.[10]

Although Congress last year reduced from six to three the annual number of free bulk mailings of newsletters allotted to each member, the franking privilege remains otherwise unscathed. The cut in bulk mailings, for example,

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6 Norman Ornstein, *et. al.*, *Vital Statistics on Congress 1986-1988* (Washington, D.C. Congressional Quarterly, 1990), p. 150; *Budget of the United States Government: Fiscal Year 1990*, pp. 9-12.

7 Ornstein, *op. cit.* pp. 142, 144, 145, 146.

8 Ornstein, *op. cit.* pp. 56-57; Compilation from FEC, 2/24/89, pp. 40-67.

9 Congressional Research Service, *U.S. Congress Official Mail Costs: Fiscal Year 1972 to Present*, July 22, 1988, p. 41.

10 *Congressional Quarterly*, February 18, 1989, p. 301. The estimate was made by the House Clerk who keeps the postage account for both the House and Senate.

did not cover notices of "town meetings" at which a congressman plans to appear.[11] House members, moreover, still can send an unlimited amount of taxpayer-funded first class mail. And Congress is proceeding with plans to build a new 25-acre complex to prepare, print, process, and receive congressional mail.[12]

Gerrymandering

"Gerrymandering" is the practice of drawing congressional district boundaries to guarantee one-party control of a seat. It is a crucial factor in the lack of competitiveness for seats in the House of Representatives.

After each regular census, Congress is reapportioned in accordance with nationwide population shifts. When this occurs, as it did in 1982 following the 1980 census, the state legislatures redraw the congressional lines in their jurisdictions. Often the lines are redrawn solely to benefit the political party that happens to control the state legislature.

Although Republicans readily engaged in the practice, the fruits of gerrymandering perhaps are most clearly demonstrated by the seventeen states in which Democrats in 1982 held the governorships and majorities in both legislative houses. In 1980, Democratic House candidates in those seventeen states received only 55.5 percent of the statewide vote, yet won 63.4 percent of the House seats. In 1982, after gerrymandering, while Democrats increased their share of the statewide vote to 58.3 percent, their proportion of seats jumped to 70.5 percent.[13]

The most skillful gerrymandering took place in California. The result: Republican House candidates in 1984 actually won more statewide votes than did Democrats, yet Democrats took more House seats, increasing their margin to 27 to 18, from 22 to 21 in 1980.[14]

Political Action Committees

PACs formed by corporations, labor unions, trade associations, and ideological groups have become increasingly prominent in political fund raising. In 1988, incumbents received about 42 percent of their campaign funds from PACs.[15]

More important, PAC contributions heavily favor incumbents over challengers. Example: Incumbents in 1988 received a total of $118.4 million from

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11 "Senators Settle for Moderate Cuts on Franked Mailings," *Congressional Quarterly*, November 11, 1989.
12 "Mountains of Mailings Grows Ever Taller," *The Washington Post*, July 21, 1989, p. A1.
13 "Partisan Redistricting and the 1982 Congressional Elections," *Journal of Politics*, Volume 45, pp. 767-770.
14 *Congressional Quarterly*, "Is Competition in Elections Becoming Obsolete?" May 6, 1989, p. 1062. California gained two seats through reapportionment.
15 Federal Election Commission, Interim Final Report, April 9, 1989, p. 2 (hereinafter, "FEC, 4/9/89"); FEC, 2/24/89, p.7.

PACs, more than six times the $18.7 million that PACs contributed to challengers.[16]

There are two kinds of PACs, the "separate segregated fund" and the "nonconnected." Of the 4,828 PACs registered with the Federal Election Commission (FEC) in 1988, some 72 percent were separate segregated funds.[17]

Sponsored PACs. These separate segregated funds largely are sponsored by labor unions, corporations, and trade associations. They were created in response to the 1974 federal election laws that prohibit direct contributions from the general treasuries of such organizations as labor unions, corporations, and trade associations.

Unlike other PACs, a separate segregated fund can be established and supported with money from the sponsoring organization's general treasury. These funds pay for such PAC operating expenses as staff, office space, phones, printing and other administrative costs. Once established, the PAC can seek voluntary contributions only from its sponsoring organization's membership or employees – from union members or corporate executives, for example. The contributions collected by the PAC then are donated to candidates within the limits specified by law.

Unaffiliated PACs. The remaining 28 percent of PACs are not affiliated with a sponsoring organization, and thus are termed "nonconnected." Unlike the separate segregated funds, nonconnected PACs are not required to limit their fund raising to finite, designated groups. However, nonconnected PACs may not use general treasury funds of a sponsoring organization to pay operating costs.[18]

Instead, nonconnected PACs – which tend to be ideological, issue-based groups with predominantly grassroots support – must use contributions from members to pay for operating expenses.

Many observers from both sides of the ideological and political spectrum charge that the ability of union and corporate PACs to pay for administrative costs out of their general treasuries clearly gives them a fund raising advantage over the grassroots PACs and other nonconnected groups.

Laws Favoring Labor Unions

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16 FEC, 4/9/89, p. 2.
17 FEC, 4/9/89, p. 3.
18 2 USC 431(4) defines political committees. 2 USC 441b (b) defines many of the rights and obligations relating to separate segregated funds.

The federal National Labor Relations Act and the Railway Labor Act and various state laws give labor unions the right to require employers to withhold union dues from a worker's paycheck and turn over this money to the union. Organized labor collects some $5 billion annually in dues and fees from workers, or approximately $330 from the average worker.[19]

As little as 10 percent to 20 percent of these dues go toward collective bargaining, contract administration, and related union work. Varying amounts of the remaining finds are spent on such political activities as phone banks, get-out-the vote campaigns, printing of campaign literature, voter registration, and direct mail.[20]

Labor unions in 1988 gave $35.5 million in cash to candidates running for federal office, and perhaps an equal amount to state and local candidates, plus as much as $350 million in such in-kind contributions as free printing and voter registration.[21]

Laws allowing unions to use workers' dues for political purposes are one of the most potentially corrupting aspects of American politics. The laws guarantee a steady flow of money to organized labor. Labor, in return, supplies an army of campaign "volunteers," money, and other, largely unreported, in-kind benefits mostly for Democrat candidates,[22] all at the expense of the worker whose money is collected by the union to pay for something with which he or she does not necessarily agree.

The Beck Decision

As a result of the Supreme Court ruling in *Beck v. Communications Workers of America*, and other decisions, the situation is changing.[23]

In *Beck*, the Court ruled that unions can use mandatory dues and fees only for purposes directly related to collective bargaining and contract administra-

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19 "Harry Beck's Earthquake," *Policy Review*, Summer 1989.

20 *Lehnert v. Ferris Faculty Association*, 643 F. Supp 1306 (1986), the court determined that the National Education Association teachers' union and its affiliates spent only about 10 percent of dues and fees on collective bargaining, contract administration and related work. In *Communication Workers of America v. Beck*, 108 S.Crt 2641, 2645 (1988), the Supreme Court notes that only 21 percent of CWA funds were expended on collective bargaining matters. See also, *Beck v. Communication Workers of America*, 468 F.Supp. 93 (Md.1979).

21 Interview with Karl Gallant of the National Institute for Labor Relations Research.

22 FEC, 4/9/89, p. 3.

23 *International Association of Machinists v. Street,* 367 U.S. 740 (1961) which held that the Railroad Labor Act does not permit a union, over the objection of nonmembers, to expend compelled agency fees on political causes; *National Labor Relations Board v. General Motors*, 373 US 734, 742 (1963) which upheld the notion that unions and employers could agree that all employees must become union members as a condition of employment but stated that the required membership had been "whittled down to its financial core." *Beck*, 108 S.Crt 2645, decided that the "financial core" only includes activities germane to collective bargaining, contract administration and grievance adjustment.

tion. The union involved in the case, the Communications Workers of America, spent far more on political activities – 79 cents of every dollar collected from workers – than on collective bargaining and contract administration.

Beck, however, does not outlaw union politicking. The decision merely gives workers the right to keep their money if they object to the political use of their dues. Even if a worker does object, however, union leaders can challenge the amount of mandatory dues that the worker requests be refunded, which would force the objecting worker to seek relief in court. Thus *Beck* leaves two problems unresolved. First, workers still may be paying to support causes with which they do not agree, and second, if they try to do something about it, they are forced to litigate against wealthy labor unions.

"Rollover" of Campaign Money for Incumbents

Under the current rules of Congress, a House member's campaign committee may keep – or "roll over" – money donated but not spent on the last election. The candidate may spend this money in his or her next election, let it sit in a bank account, or use it for a variety of items.[24] Many reformers oppose this rollover of campaign funds because it is added to the already potent incumbent advantages of easy PAC money, the franking privilege, and large staffs. These are the key elements in an incumbent protection scheme that deprives the system of competition.

Restrictions on Political Parties

The two major political parties are the largest and perhaps the most important conduit for citizen involvement in the electoral system. The parties nominate presidential candidates, organize petition drives to put federal, state, and local candidates on the ballot, establish local, state, and national

24 See generally, "Loophole Lets Ex-Members Cash in on Way Out," *Congressional Quarterly*, January 21, 1989, p. 103.

party committees, and recruit and motivate volunteers. Yet, despite the political parties' importance, campaign finance laws restrict their ability to field and run candidates in competitive races. Campaign finance laws, in part, accord political party committees precisely the same status as PACs, limiting the direct contributions of each to $5,000 per election per candidate.

The law, however, permits political parties to make certain added "coordinated expenditures" and to consult and coordinate with House and Senate candidates on such activities as advertising and polling.[25] Allowable total direct contributions plus coordinated expenditures by political parties in 1988 ranged from $53,050 in most House races to between $73,600 and $966,188 in Senate races.[26]

While these amounts may seem large in absolute terms, they are relatively small in comparison with the total amounts spent in modern campaigns. On average, a winning House candidate in 1988 spent $358,992.[27] In the twenty most closely contested House races, average spending by the winners was $717,071.[28]

Thus, even if political parties contribute to a House candidate the full amount allowed by law, the parties could only raise and spend about one-seventh of the average amount needed to win a House campaign. This almost guarantees the parties will play a subsidiary role in those races.

Individual Contributor Limits

Limits on individual contributions to federal campaigns were first established in 1974 by amendments to the Federal Election Campaign Act. That law limited individual contributions to House and Senate races to $1,000 per election. This limit on individual contributions raises two issues, one constitutional and the other, policy.

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25 2 USC 441a (d)(3)

26 In House races, a national party and its congressional committee are considered separate committees, they and the state parties can each contribute $5,000 per election to a House candidate (primary and general are each considered one election.) 2 USC 441a (a)(5); 11 CFR Ch.1 section 110.3(b). For Senate races, a national party and its senatorial committee are considered one. They can contribute a total of $17,500 for the general election year. 2 USC 141a (b). This provision has no effect on the state party which can still contribute $5,000 per election. Additionally, the national and state parties can each make coordinated expenditures on behalf of their congressional candidates. In House races, in multi-district states, state parties can spend $10,000 times the cost of living adjustment. In single district House races and in Senate races, they can spend the greater of $20,000 times the Cost of Living Adjustment (COLA) or $.02 times the state voting age population times the COLA. 2 USC 441a (d). In 1988, coordinated expenditure limits were $23,050 for a multi-district House nominee, $46,100 for a single district House nominee, and between $46,100 and $938,688.20 for Senate nominees. Federal Election Commission Record, 3/88, pp. 2-5. Although the latter number may seem high, the winning Senate candidate in California spent $12,969,294 in 1988. FEC, February 24, 1989, p. 40.

27 Common Cause press release, "No Contest," March 28, 1989.

28 Compilation of statistics in FEC, *Federal Election 88* and FEC, 2/24/89.

The Supreme Court, in *Buckley v. Valeo*, ruled in 1976 that under the First Amendment's guarantee of free speech, individual campaign contributor limits cannot be so low as to prevent "candidates from amassing the resources necessary for effective advocacy."[29]

Hard Time for Challengers. Events since the *Buckley* decision raise the question of whether the $1,000 limit could still withstand constitutional scrutiny. Whereas incumbents can raise large amounts of money, challengers have an increasingly hard time doing so. The reason: the impact of the individual contributor has been overwhelmed by PACs, and PACs give six times as much money to incumbents as to challengers. Thus, the $1,000 limit on individual contributions may prevent challengers from, in the words of *Buckley*, "amassing the resources necessary for effective advocacy."

As a matter of policy, current limits on individual giving place individuals at a disadvantage to PACs. Individual contributions to congressional campaigns are limited to $1,000, whereas PACs can give as much as $5,000. Individuals, moreover, are permitted to give as much as $5,000 to a PAC, which creates an incentive for individuals to give through PACs.

Not only does this reduce individual giving to candidates, it also weakens the nexus between congressmen and their districts. Whereas most individual giving tends to go to local representatives, PACs are far less likely to rely on geographic criteria, and contribute instead on the basis of a candidate's stand on relatively narrow issues.

THE LIBERAL REFORM AGENDA

The liberal version of reform would restrict the individual's role while increasing that of government, by limiting private funding and replacing it with public financing. Such liberal proposals would limit the rights of candidates and independent groups to communicate with the voters, and conversely hamper the individual's right to support a candidate by limiting direct and in-kind contributions.

The primary liberal "reform" package was introduced in the House by former Democratic Whip Tony Coelho of California. The central points of his bill and other liberal initiatives before Congress include:[30]

Public Financing and Spending Limits

Under the Supreme Court's 1976 *Buckley v. Valeo* decision, Congress may finance campaigns with public money and may condition acceptance of the money on an agreement by the candidate to abide by specified spending limits.[31] Liberals support this combination of public financing and spending

29 *Buckley vs. Valeo*, 424 US 1, 19 (1976).
30 See H.R. 14 and S. 137.
31 *Buckley*, p. 57, fn. 65.

limits to fight what they call the influence of private money, which they considered "tainted" because the donors may want something in return.

Opponents of public financing, by contrast, believe that Congress has more responsible uses for tax money. They also oppose the encumbrances, rules, and regulations that come with the public financing scheme, seeing them as an erosion of the candidate's right to communicate effectively with the voters.

Limiting Access to Voters. Opponents of public financing also argue that the alleged need to set spending limits implies a need to limit the amount of communication that candidates should have with voters. This would benefit incumbents, who have higher name recognition and regular access to the media. To level the playing field, a challenger understandably may need to spend considerably more than an incumbent. Campaign spending ceilings would limit a challenger's ability to do this.

Additionally, some candidates believe that the media fail to provide an accurate portrait of themselves or their positions. To combat this may require spending large amounts of money on advertising. Campaign spending limits would curtail this.

Finally, designing a fair method of funding House races would be very difficult. Even though each congressional district has about the same number of people, the conditions differ tremendously. Example: A candidate in Brooklyn, New York, must pay far higher media costs to reach the 500,000 people in his district than does a House candidate in Wyoming where media costs are much lower.

Bundling

Another proposed reform would eliminate "bundling." This refers to the practice in which individuals send to an intermediary contributions earmarked for a candidate. The contributions are "bundled" together by the intermediary and sent in one large sum to the candidate. Such contributions do not count against the expenditure limits of the intermediary.

Critics charge that bundling evades the intent of campaign finance laws that limit contributions from corporations, trade associations, and unions. Bundling, moreover, enhances the role of the intermediary, theoretically conferring on him the status of a major contributor.

Proposals to eliminate bundling, however, conflict with the First Amendment's right to free association. The reason: If it is lawful for each contributor to write a check at home and mail it to a candidate, freedom of association permits individuals to do the same thing together in a room and pass their checks on through one person.

Independent Expenditures

Independent expenditures are funds spent by an individual or organization to influence voters' opinions of a candidate. Typically, these expenditures have gone toward advertisements directed against incumbents.

In *Buckley v. Valeo*, the Supreme Court ruled that restricting independent campaign expenditures was an unconstitutional encroachment on free speech.[32] As long as those who spend the money do so without coordinating with or consulting with the campaign of a federal candidate, such expenditures could not be outlawed by Congress.

Because independent expenditures often have paid for hard-hitting advertisements directed against incumbents, many in Congress sought to ban them. Stifled in that attempt by the Supreme Court, they have now proposed that free air time be given to the target of an independent expenditure broadcast.

This reform, however, also could violate the Constitution. It would create a hierarchy of political speech with one form deemed so objectionable that the government must intervene to facilitate a response. Except for certain narrow circumstances, government should not be in the business of deciding what speech is good or bad or needs to be rebutted.

Soft Money

Another target of liberal proposals is so-called "soft money." These are funds raised outside federal campaign finance restrictions but spent to influence federal campaigns.[33] The money usually is raised by a nominally independent finance committee that actually is controlled by the federal candidate who eventually benefits. Often soft money is raised in large contributions. In the 1988 presidential race, for example, $100,000 contributions were routinely made to the finance committees established by Bush and Dukakis fund raisers and then donated to state and local parties.[34] The national parties also raise soft money through their non-federal accounts.

State and local parties use soft money for such party-building efforts as get-out-the-vote drives. A controversy arises, however, when such efforts for local candidates also help federal candidates. Under federal election law, the parties must account for the portion of soft money allocated to federal campaigns and meet all federal election rules regarding that money. Yet, state laws govern most of the soft money efforts. And many state laws permit contributions from sources banned by federal law, such as corporate and union treasuries. Many states, moreover, have no contributor limits and no disclosure requirements.

Senators David Boren, the Oklahoma Democrat, and Robert Byrd, the West Virginia Democrat, have cosponsored a bill (S.137) that would impose new federal regulation of soft money. The Boren-Byrd bill would mandate that any money solicited, received, or spent in connection with a federal election be subject to federal limits. The bill specifically targets get-out-the-vote

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32 *Ibid.*, pp. 48-49.
33 See Herbert Alexander, *Strategies for Election Reform*, in a study by the Project for Comprehensive Campaign Reform, 1989, pp. 44-57.
34 *Ibid.*, p. 45.

and voter registration activities. Any effort by a state or local party that in any way affects a federal election would be regulated by the federal government. Thus, even if nine local candidates and only one federal candidate benefit from a get-out-the-vote campaign, the entire effort will be federally regulated, and most important, subject to the funding and spending limits of federal campaigns.

A CONSERVATIVE REFORM AGENDA

The goal of appropriate election law reform should be to encourage citizen participation, create a level playing field for citizens as well as candidates, and minimize government interference in the electoral process.

In particular, election law should recognize that in political campaigns, effective free speech is dependent upon a candidate's financial resources. Laws that limit the ability of candidates to raise and spend money, therefore, inevitably weaken the candidate's right to free speech, and weaken democracy by harming a challenger's ability to run a serious race.

Correcting Distortions. Laws that give some groups – such as labor and corporate PACs – advantages over other groups distort a system based on equal participation. And laws that give incumbents large advantages over challengers are equally unfair and further damage a democratic electoral system.

Current U.S. election laws will have to be changed if incumbent privileges are to be ended, if corporate and union PACs are to be put on an equal footing with other citizens' groups, if strict contribution limits that inhibit individual participation are to be lifted, and if fairness is to govern the drawing of new lines for congressional districts.

Nine specific initiatives are central to such reform:

1) **Protect workers' rights by codifying the *Beck* decision.**

The Federal Election Campaign Act prohibits unions from participating in federal elections, with only three exceptions: 1) providing overhead and administrative costs for PACs, 2) engaging in unlimited direct advocacy to members, and 3) conducting partisan voter registration drives. The law should be amended to prohibit even those activities unless the unions comply with the *Beck* decision by proving what percentage of union dues and fees goes to purposes not connected with contract negotiation or collective bargaining; by informing employees of their right to retain such non-contract related dues; and by making it easy for employees to exercise that right.

Even before Congress codifies *Beck*, George Bush should instruct the National Labor Relations Board to ensure that all current and prospective union members are informed of their rights under *Beck*.

2) **Allow House challengers to raise up to $400,000 in contributions of any size, with full disclosure.**

The most important campaign finance reform would force incumbents to defend their records and discuss issues. Yet, this will occur only if challengers raise adequate funds. Without large amounts of money, a candidate cannot seriously challenge an incumbent. Without serious challenges, incumbents have no need to defend their records, no discussion of the issues takes place, and incumbents easily win re-election.

Current contribution limits of $1,000 for individuals and $5,000 for PACs should not apply to the first $400,000 raised by House challengers. A similar exemption should apply to Senate candidates, with the applicable limit to be determined by a formula based on voting-age-population. This would allow challengers to spend less time raising money and more time making their views known to voters. This reform also would help level the playing field between challengers and incumbents, reducing the impact of such incumbent advantages as large office staffs, the franking privilege, and access to the media and PAC money. This would end if a challenger could raise $400,000, even in one contribution, or four contributions of $100,000 each (a formula for Senate challengers based on Voting Age Population should also be adopted). These sums should be reported to the Federal Election Commission in the same way as other contributions.

3) **Limit the franking privilege and curtail other taxpayer supported incumbent advantages.**

Legislators have a legitimate interest in keeping their constituents informed. This would be served, however, through one free district-wide bulk mailing each year, (at least 90 days before an election), and franking rights to answer all unsolicited letters. Congressional staffs, meanwhile, should be reduced by one-half, with concomitant reductions in office expense accounts. These reforms will reduce the incumbents' advantages and demonstrate that Congress is serious about budget cutting.

4) **Restore fairness to political fund raising by placing corporate and union-supported PACs under the same rules as ideological PACs.**

Under the 1989 Bush campaign reform proposal, union and corporate PACs, like ideological grassroots PACs, would have to pay for overhead and administrative costs with money raised from contributors. If this provision becomes law, there is no reason to restrict PACs further by lowering their contribution limits. PACs serve well as a device to involve many small contributors in the political system.

5) **Strengthen the political parties by raising contribution and spending limits.**

At a minimum, political parties should be able to sponsor and fully fund challenger races. This could be accomplished by allowing parties to contribute to a challenger's campaign an amount that equals the value of incumbent perquisites. Ideally, all contribution and expenditures limits on parties

should be removed, thus allowing parties to resume a central role in campaigns.

6) **Restore integrity to congressional redistricting by establishing uniform, objective standards.**

Attempts by both parties to disenfranchise voters because of their political philosophy continue. Uniform redistricting standards should be established, therefore, mandating that lines be compact and adhere to geographical, county, and municipal boundaries.

One way to remove politics from redistricting is to mandate that district lines be drawn according to a mathematical formula that joins adjacent census tracks. Alan Helsop, Director of the Rose Institute of Government at Claremont McKenna College, and Lewis Gann, a Senior Fellow at the Hoover Institution, have proposed such a formula. It would join a state's northern-most adjacent census track, and so on down the state until a required population total is met. This proposal may appear as a 1990 ballot initiative in California.

7) **Zero-out campaign treasuries at the end of an election year.**

When, after an election, incumbents keep large bank accounts in preparation for their re-election, that puts challengers at a tremendous disadvantage, and discourages all but the wealthiest and bravest. To encourage more electoral competition, the practice of rolling over excess campaign funds should be discontinued.

8) **Promote freedom of speech and the concept of in-state and in-district support by raising contribution limits for all individuals, with higher limits for residents of the state or district in which an election occurs.**

The maximum contribution limit has not been changed in 15 years. The arbitrary limit failed to decrease the role of money in elections, but did decrease the amount of support a citizen can give to a candidate whose ideas he supports. Individual contribution levels, therefore, should be increased to $5,000 for out-of-state and out-of-district individuals. The campaign finance laws, moreover, have skewed donating patterns so that many congressmen receive much of their money from outside their districts. A higher limit for individuals within the district would benefit the voters rather than PACs and special interests.

9) **Restore the income tax credit of $250 for contributions made by individuals in-state or in-district.**

Candidates raise large sums of special interest money – from outside their districts – a situation that could lead to congressmen putting the concerns of PACs and special interests ahead of their own constituents'.

A 50 percent federal tax credit for political contributions was allowed between 1972 and 1986. In that time, the maximum credit on a single return went from $12.50 in 1972 to $50 in 1986. The Tax Reform Act of 1986 repealed the provision. It should be restored, and raised to $250 for in-

dividual contributors residing in a candidate's district. This reform will stimulate citizen participation, and help to counterbalance the special interest money raised by incumbents outside their districts.

CONCLUSION

Current U.S. election law needs to be changed. The rules favor incumbents and such contributors as union and corporate PACs, while discriminating against challengers and individual citizens who wish to participate. Many of these shortcomings are the result of "reforms" passed in 1974. Now "reformers" again are proposing changes that would increase government control, further squeeze out the citizen, and fail to address the problems highlighted in the Supreme Court's *Beck* decision.

Fairness and Competition. A plan has been offered to Congress by George Bush. Although not without flaws, his proposal would correct many problems. It would reduce, such incumbent advantages as the franking privilege, eliminate the unions, ability to use dues and fees taken from unwilling workers, help to restore the political parties' strength, and curtail gerrymandering.

To improve his plan, however, Bush should propose allowing challengers to accept individual contributions of any amount until they reach $400,000. This, and his other proposals, would do much to inject fairness and competition into congressional elections.

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