

says Bill Hogan of the Center for Public Integrity, a D.C. watchdog group. "They don't believe that anything is going to be changed by Congress, which created the current system and all of the loopholes in it."

Meanwhile, for corporate America and other high-rollers,

democracy remains a commodity. A Democratic Party official once summed up the situation perfectly in explaining to me why offering perks to big donors didn't result in unwarranted access for private interests. "It's like flying," she said. "Some sit in first class and some sit in coach." ■

A NEW MEMBER OF CONGRESS LEARNS THE TRICKS OF THE TRADE—AND THEN SOME.

Inside the Money Chase

DAN HAMBURG

*The best things in life are free,
But you can give them to the birds and bees,
I need money (That's what I want).*

—"Money"

Berry Gordy and Janie Bradford

My wife and I have a favorite saying: "It's not the money." To me, getting money to make my first run for Congress in 1992 was simply something I needed to do to win. I certainly never intended to become the least bit impressed with it or driven by it. After getting elected, I was sure I could be a freewheeling progressive. Joining what I believed would be legions of my kind in the new Congress and a Democratic administration, we would begin to put the country right.

When I ran for Congress, I had never raised more than \$15,000 for a political race. But I knew that Congressional seats didn't come cheap. I contacted an old supporter, Bonnie Raitt, and asked her to help me raise money for my campaign. To my elation, she said yes and I was off and running.

Bonnie, along with Holly Near, did several concerts for me in early 1992, raising a total of about \$60,000. It turned out, incredibly, that no one challenged me in the spring primary. I remember thinking that the money would now flow like wine. It was exciting. I had already caught money fever. By June, I was broke, my campaign management team having taken virtually all the money for their salaries and ancillary expenses. My Sacramento-based campaign manager put it this way: "As a candidate, you have two jobs: carry the message and raise money." It was time to raise more. I was learning my job.

I raised another \$800,000 or so for the general election. Bonnie helped raise another chunk with a blockbuster concert with Jackson Browne on the driving range of a Napa country club golf course. Where did the rest of the money come from? Environmentalists. Labor. Women. Peace and justice organizations. That was my mantra whenever anybody asked me where the money was coming from. I said it with pride, as if cool people



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got cool money and everything was cool.

Pretty quickly I lost track of where much of the money was coming from. I was far too busy trying to cover the sprawling seven-county district and raise the money needed to keep an ever-expanding campaign team in place. Some money came from wealthy individuals who were known to me simply as "major donors," some from state and national parties, some from Democratic incumbents who just wanted to make sure the party continued to hold the majority in

the House. About a third of the roughly \$900,000 raised for the 1992 campaign came from PACs. At one point, at the urging of Democratic Representative Bill Brewster, I found myself talking to the N.R.A. about giving me money because my opponent had voted to restrict sales of automatic weapons. Finally, they offered me no money, but agreed not to fund my opponent either.

By the time I won the general election that November, the campaign was in debt about \$80,000 and I was personally in debt another \$40,000. But hell, I'd raised nearly a million and now I was the incumbent, so no sweat! It took nearly all of 1993 to clear my '92 campaign expenses. It turned out that in off-years (years in which there is not a House election) much of the fundraising had to be done at in-district events in which supporters pay and gather around to hear the celebrity/politician expound on the political wars in D.C.

In September 1993, I went to see the President and Vice President at the White House. This was a small meeting, with about eight members of Congress, Bill Clinton and Al Gore, George Stephanopoulos and David Gergen. The day before, I had been at the annual picnic of the Operating Engineers, a union that "maxed out" to me (\$5,000 each for primary and general elections). At the picnic, several of the union leaders had gone over a problem they were having—getting the go-ahead for a freeway-widening project in the district. I said I'd do what I could. The next day, there I was at the White House arguing for more money for "infrastructure," including, of course, the project the Operating Engineers were pushing.

This is the kind of thing members of Congress do routinely. After all, this is how the system is supposed to work. The member goes out into the district, talks to the constituents, finds out what they need and then fights to get it, especially if it's for a group that's good for \$10,000 the next time election season comes around. I

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knew lots of reasons that the widening project was a bad idea, at best unnecessary. In fact, I had voted against it as a county official several times. But it wasn't hard to conjure up reasons to be for it either: primarily, jobs and campaign money.

Once, when I complained to my administrative assistant (and '92 campaign fundraising director) about how much time it was taking and how demeaned I felt constantly sticking my hand out for money, her response was, "If you Congressmen didn't have to grovel for money, your heads would be even fatter." I really thought about that. Is fundraising some kind of leveling device, forcing the pol to go to the people? I concluded that if it is, the leveling needs to happen in other ways. There's nothing inherently character-building or constituent-serving about having to call people on the phone again and again to get them to cut you a check or come to a fundraiser at \$250, \$500 or \$1,000 a ticket, stand around in some tastefully remodeled Victorian on the Hill and eat hors d'oeuvres and drink wine with people with whom your connection is a check.

A "successful politician" is a politician with a healthy bankroll. Behaviors that we might think of as degrading to the profession or "detrimental to democracy" are to the politician both legitimate and necessary. All the rewards come with raising tons of money—pundits laud your "prolific fundraising," colleagues have confidence in your viability (i.e., re-electability), staff members need not fear for their jobs.

Most large individual donations come from wealthy businesspeople. Campaign rules disallow corporate giving to individual candidates. So unless they give through a PAC, individuals must write non-tax-deductible personal checks, for which they expect a service. For example, the Congressional district I represented has lots of wineries. Wealthy vintners routinely give large checks to candidates, often to candidates from both parties. When the Clinton Administration considered raising taxes on alcohol to help cut the deficit in 1993, the wine and beer industries screamed bloody murder. Raise taxes on the sustenance of Joe and Jane Sixpack? Blasphemy! Raise taxes on the nectar of yuppiedom? Quel horror! Besides, it would cost jobs and tarnish one of the few bright spots in U.S. trade.

Members of Congress who represent competitive districts spend hours each week, and during campaign season hours each day, making fundraising calls from private offices on Capitol Hill. "Making your calls" is a basic responsibility of the job. But the problem doesn't end there. Despite all the whitewash, the fact is that campaign funds are routinely solicited from federal offices.

When I entered Congress, I was advised that while it was illegal to make fundraising calls from my Congressional office, it was legal to accept return calls. Of course, even this phony line is frequently crossed. Politicians as seemingly at odds as Phil Gramm and Al Gore have claimed that it's O.K. to use Senate and even White House offices to make fundraising calls so long as they used their own, or their campaign committee's, credit cards. Gore came up with yet another angle when he claimed that it's O.K. to make such calls from official quarters so long as the recipient was not receiving the call on federal property. The rele-

vant point here, of course, is that public officials should not be soliciting funds from offices owned by the taxpayers.

California Assembly Speaker Jesse Unruh once said, "If you can't take their money and then vote against them, you should get out of politics!" Unruh was no ingénue, but that comment seems ridiculously naïve now. For one thing, money shapes what even makes it to the floor for a vote. Proposals that are perceived by the moneyed interests as truly threatening, such as single-payer health insurance, are quickly squelched by committee chairs fattened up by industry. Sure, the Progressive Caucus gets a few hours once a year to argue for a budget that would slash military spending, but it's a very pro forma exercise. Progressives may take a nick out of the system once in a while, pass an amendment to build three Trident subs instead of four, but that's about it. Money buys power. Why else would it be that only the poor are getting kicked off the government dole?

On a less grand level, here's how it works: A company, say United Parcel Service, has problems with an arcane section of

a bill dealing with air transit fees that's coming before your committee. You know there may be some opposition to the bill by the Teamsters, but they haven't pressed

their case. The U.P.S. lobbyist meets you at the door of your office as you're returning from the floor (lobbyists have an uncanny knack for finding members and waylaying them). He states his case. He's a nice guy, he sounds authoritative on the subject. You're inclined to say, "Fine, I'll be glad to support your position," or at least, "I can't say how I'll vote but I think what you say has a lot of merit." The fact that this person has handed you two checks for \$5,000 over the past months certainly helps seal the deal. The vast majority of your constituents will never know what has happened; the consequences will be well hidden.

Many entrenched politicians are not only able to fund their own re-election campaigns and intimidate potential opponents, they establish their own PACs to give money to other members. This is another way, besides the seniority system, that established politicians influence less-established politicians. It's also another way that money controls politics. Several times I went to the floor of the House to seek out members, whose names I would have typed on an index card, who were known to have money to hand out. These members might be ideological allies or might simply have ambitions to move up through the system by handing out \$1,000 checks.

It was no secret in the House that Charlie Rose of North Carolina intended to challenge Dick Gephardt for Democratic majority leader. His plan was to run against Gephardt during the party organizational period just before the 104th Congress commenced. I had an important bill before one of Rose's subcommittees, so I felt the need to have him as a friend. After all, he could kill my bill on a whim anytime he desired. Instead, Charlie took me under his wing and helped guide my bill toward passage. He also gave me \$1,000 from his personal PAC to help me in an unexpected primary I faced in the spring of '94, a race in which my challenger spent at least \$250,000.

The next time I asked Charlie for money it was for the No-

Despite all the whitewash, the fact is campaign funds are routinely solicited from federal offices—'making your calls' is part of the job.

vember general election. In the meantime, I had decided to support Gephardt to continue as majority leader, mostly because of his strong stance opposing NAFTA and his generally more liberal politics. I also knew that I was facing another million-dollar race. When I approached Charlie for money, his response was, "Son, you better get on over with your friend Gephardt. You won't see any more money coming from me." I felt so awkward and silly. Here I was a grown man, a Congressman, getting blown off for a lousy \$1,000.

The issue of campaign finance points to a deeper problem in U.S. politics: the subservience of the political system to the eco-

nomie system. The real government of our country is economic, dominated by large corporations that charter the state to do their bidding. Fostering a secure environment in which corporations and their investors can flourish is the paramount objective of both parties. Campaign finance works to place and keep in office those who willingly reproduce this culture. The covenant between the citizen and the law, as recapitulated through the electoral process, has lost its meaning. Campaign finance is a useful way of looking into a larger question: In an era of increasing economic globalism, when the state itself is fast becoming a subordinate entity, what is the relevance of being an American citizen? ■

TO MANY, CLEAN MONEY IS 'THE REFORM THAT MAKES ALL OTHER REFORMS POSSIBLE.'

Laundering Money—for Real

ELLEN S. MILLER

One snowy evening early in 1992, shortly before his death, Phil Stern and I talked into the night about money and politics. Though nearly immobilized by his illness, Phil's outrage over "the best Congress money can buy" was as strong as ever. Two books, two organizations, hundreds of thousands of dollars in grants to others working in the field and two decades after he first became concerned about the decay of American democracy, Phil felt the nation was scarcely closer to addressing the problem. The question then, as now, was, "Is there a solution?"

Back then, I was director of the Center for Responsive Politics. With the help of an extraordinary staff, the center became the nation's gadfly on the issue—the premier bearer of bad tidings. For the dozen years I directed the center we crunched the numbers again and again. With each election cycle we reported how much money was raised and spent; on the moneyed interests who gave it and the obvious power imbalances it engendered; on the relationships between "economically interested" funders and their recipients; and on the ever-increasing fundraising gap between incumbents and challengers. Over time, it was a story that changed only in proportion, not in kind.

Justice Louis Brandeis may have once said "Sunlight is the best disinfectant," but he was wrong. Members of Congress and the President could take the exposure, no matter how negative it was or how venal they looked. The media and the public have an appetite for stories detailing how special interests buy influence, but the drumbeat of scandal becomes numbing. More disclosure, better sleuthing and shrewder analyses could tell us how bad the problem is but would not solve it.

But all this information was pointing the way to real reform. The data tell us that the problem is not PACs; indeed, 35 percent of all the money for Congressional campaigns comes in large in-



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dividual donations with demonstrable corporate connections. We learned too that it isn't a problem of out-of-state contributions flooding some races; 80 percent of the individual contributions to House races comes from in-state interests. And it certainly isn't a problem—as many Republicans and some academics imagine—of too little money in politics. Big money's corrupting effects are in fact far more systemic. This is a problem that reaches into the soul of our democracy.

In February of 1990, the Working Group on Electoral Democracy, a loose association of grass-roots activists, held a conference in Waveland, Mississippi. At that meeting, activists from all over the country discussed how the uphill playing field of campaign finance affected their work. Everyone agreed: The money and politics problem is, at its root, about fairness and political equality, and both of those principles were scarcely evident in U.S. politics. It would take more than a good-government technocratic fix to change that. The Working Group presented a proposal to eliminate private financing of election campaigns, but many doubted that such a change was workable or viable.

But as one who had come to see all the nefarious ways that money power drives the democratic process, I became persuaded. After all, the central problem is candidates' dependence on private money to finance their campaigns. Tamping down on that by putting limits on contributions or caps on spending won't change the overall picture. Only a system that provides another way to run for office could. As Jamin Raskin describes on page 11, there's a lot more detail to Clean Money Campaign Reform, but the core point is simple: C.M.C.R. goes further than anything else proposed in pushing private money to the sidelines of the campaign finance playing field. And because the concept is both comprehensive and comprehensible, it has the best chance of inspiring a citizens' movement for real reform.

Others have become convinced of this too—most important, local activists who have struggled time and again against the

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