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Paying for Politics

In 1519, Charles V, King of Spain and all of 19 years old at the time, decided it would be a nice thing to rule the Holy Roman Empire. Emperors were elected in those days—four princes and three archbishops made the decision—and, not surprisingly, two other kings also decided they would make good emperors. Charles was not to be denied, however, and he settled on a winning strategy. He amassed a campaign fund of $40 million and simply bribed five of the seven electors. Needless to say, he was elected.

In 1972, Richard Nixon was not to be denied either. He put together a slightly larger campaign fund and, while his campaign tactics were somewhat more subtle than Charles', he was equally successful. No one has accused the President's campaigners of trying to buy votes, but some of the methods they employed were only slightly distinguishable. It was unquestionably the most outrageous use of money in the history of American politics.

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Perhaps even more outrageous than the way in which that money was used, however, was the way in which it was raised. Consider these examples:

- Financier Robert Vesco, in apparent trouble with the Securities and Exchange Commission, personally delivered $200,000—in $100 bills—to the Nixon campaign. Then-Attorney General John Mitchell arranged for Vesco to see the head of the SEC just two hours later to discuss his difficulties.
- Herbert Kalmbach, one of Mr. Nixon's chief fund-raisers, approached American Airlines board chairman George Spater at a time when American had a merger plan pending before the Civil Aeronautics Board. Kalmbach, who was not only the President's personal counsel but also attorney for United Airlines—American's principal competitor—indicated that a contribution of $100,000 was "expected." American responded to the tune of $75,000, most of it in the form of clearly illegal corporate funds.
- At least three major oil companies — Ashland, Gulf and Phillips — have each admitted contributing $100,000 of corporate money to the Nixon campaign, again in violation of the law.

The pattern is unmistakable: the Nixon people deliberately set out to collect huge campaign contributions from those who had the most to gain—or lose—from specific government actions or policies. There is every indication that they developed what amounted to a shakedown list of firms most vulnerable to the pressure and subtle intimidation they subsequently employed in soliciting large contributons.

Perhaps nothing was done in return for many large contributions. In fact, some large givers, expecting preferential treatment but never receiving it, have themselves been victimized by the system. But it shouldn't be necessary to prove compromise or corruption, or even corrupt intent in every instance. It should be sufficient that the *appearance* of improper influence is enough to undermine public confidence in government.

Despite the incredible tales of Mr. Nixon's 1972 fund-raising activities now unfolding, no one can pretend that they represent a problem unique to Republicans. My own party's fund-raising record—while never in Mr. Nixon's league—has not always been as open and as forthright as I would like it to have been.

The chief fault lies in the system itself—a system that puts government virtually up for sale by forcing candidates to rely on excessively large contributions if they hope to compete successfully in a modern campaign. The single most important reform that can result from Watergate, in my judgment, is a fundamental change of this system. This can be accomplished only if Congress eliminates the corrosive and corrupting influence of big money in politics and replaces it with a system of public financing of campaigns.

Public financing is not a new idea—Teddy Roosevelt first proposed it in 1907—but it is a far-reaching one. If candidates receive the bulk of their campaign funds from public instead of private sources, it follows that once in office they are less likely to be influenced by private interests.

For a variety of reasons, however, some people still believe that it is improper to finance political campaigns with the taxpayer's dollar. It would cost too much, they say, at a time when there are higher priorities. But what is the cost to us, individually and as a nation, of cost overruns and shoddy workmanship by incompetent government contractors, of improper anti-trust settlements, of tax loopholes that refuse to close, of regulated industries that go unregulated?

Other reservations are expressed, many of them legitimate and some of which I share. Yet they are all overcome by one inescapable conclusion: if we are to effectively limit the amount anyone may contribute to a candidate, at the same time permitting that candidate to spend enough to run an intelligent, informative and effective campaign, there is no real alternative to some form of public financing.

What form should it take? How would it work? There are any number of different approaches, but in Congress and elsewhere there is a growing consensus that if it is to be fair, workable and effective, a public financing system must:

- Limit severely the amount individuals and groups may contribute to a candidate, but encourage a greater number of small private contributions;
- Limit the amount candidates may spend in both primary and general elecions;
- Provide public funds for primary as well as general elections;
- Use as a base for public financing the already existing dollar check-off system adopted under Sen. Russell Long's (D-La.) leadership but undermined last year by the administration;
- Treat fairly minor, new and third-party candidates without encouraging obviously frivolous candidates;
- Provide strict enforcement of campaign financing regulations by an independent agency, preferably a federal elections commission.

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With the support of Common Cause, Sen. Richard Schweiker (R-Pa.) and I have introduced a bill that we believe will accomplish these goals for presidential elections. It provides tax incentives for a larger number of small private contributions but strictly limits the amount any one person or organization may give; during the pre-nomination period, any private contribution up to $100 would be matched by the government; and for the general election it substantially strengthens the dollar check-off system by providing from public funds approximately two-thirds of the amount a candidate is permitted to spend. If implemented in 1976, it would cost approximately $100 million for the presidential election.

Whatever form public financing ultimately takes, there is a growing bipartisan recognition that now is the time to act. Watergate has provided one of those unique moments in history when it is actually possible to effect fundamental change. According to a recent Gallup Poll, 58 per cent of the American people now favor public financing of federal elections. For the first time since it was seriously proposed nearly 70 years ago, the idea of meaningful public financing is beginning to achieve a momentum of its own. Whether that momentum can translate the idea into law will probably be known in the next few months. In the end, it will turn on the determination of the American people to reclaim their government.