PACs, Parties and Presidents

By Dr. Larry Sabato

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It is important to know what a political action committee, or PAC, is. The term is bandied about but we do not often define it. A PAC is a segregated campaign fund of a labor union, business corporation, trade association, or an independent group that is created solely for political purposes. It is a fund of campaign money that is kept separate from all other expenditures of the organization or the union or the corporation. PAC is actually a colloquial expression; it is not found anywhere in the federal statutes. Party committees are not PACs and are completely separate from PACs. PACs use nonparty campaign funds; they are not formed by nor are they connected to political parties. While PACs have existed since the 1940s, most PACs have been formed since the 1970s. They were a product of the reforms spawned by Watergate. The Federal Election Campaign Act of 1971, amended in 1974, amended again in 1976, amended again in 1979---a decade of campaign reforms spurred the growth of political action committees, by making it possible for corporations and trade associations as well as labor unions to form them.

The number of PACs has grown tremendously; there are more than 3,500. In 1974 only about $12.5 million was contributed by political action committees to presidential and congressional candidates. By 1982 PACs were contributing close to $84 million to political candidates. How does that compare with political expenditures before all these PACs were formed? We have no way of knowing. The one positive reform that came out of the 1970s was reporting and disclosure. For the first time ever, we are able to find out what groups spent money and how they spent it. It is all reported to the Federal Election Commission. We can trace the expenditures, although the reporting process is slow. Since we are about one election cycle behind, we are just now analyzing what happened in the 1982 congressional elections. We are always behind the times because the reports are so thorough.

We will never know what was spent before the 1970s because no reporting or disclosure was required. Reports were filed, but they generally contained an estimate---only 3 or 4 or 5 percent of what the expenditures actually were in many cases---by labor unions and businesses. Old campaign laws were filled with loopholes, and it was easy to hide what was actually spent. Most groups did that. PACs were a product of reform. As all good reformers know, reforms always conform to the law of unintended consequences. That is, reforms always produce unintended effects---effects that were not even considered to be possible when the reform was proposed and enacted.

There is great diversity in the PAC world. There are PACs on the Right and on the Left. There are labor PACs and there are business PACs. There are Democratic-oriented PACs and there are Republican-oriented PACs. There are PACs that are violently opposed to the party system, that actively try to upset the current party balance. When we generalize, we have to keep in mind that there are many kinds of PACs.

The diversity among PACs extends to their organization and to their fundraising as well. Some PACs are democratically organized; they have representatives of all the individuals who are contributing to the group on their candidate selection committee so that there is some form of representation is choosing which candidates receive the PAC’s money. There are many other PACs that are autocratically governed; the chief executive officer of the corporation makes all of the decisions on how the PAC money is dispensed. They never report to their constituents---to the contributors---about how the money was actually spent.

Many PACs raise their money through direct mail. They get money in ten or twenty-five dollar contributions from tens of thousands of people. Because they are getting small amounts from many people, there is little accountability. People contributing money through the mail have no say about how their money is actually spent. There is no democratic process involved in many of the PACs that raise their money through direct mail. Similarly, there is no democratic process in the labor PACs because millions of people contribute only a dollar or two to the labor union; generally the chief executive officers of the union make all of the decisions about candidates. The members have little to say about who gets the PAC contribution. Disbursement is separate from the solicitation process.

The most visible elements of PACs are contributions to candidates; that is what we associate with political actions committees. The presidential race in 1984 serves as an example. Both Walter Mondale and Gary Hart made headlines by declaring very forthrightly, very virtuously, that they would accept no contributions from political action committees despite what is was going to cost their campaigns and their candidacies. They were standing up against special-interest politics. By this self-sacrificing action, they implied that once in office they were going to do something about the scandal of political action committees. They may have been sincere about their beliefs in PAC’s, but in truth they made almost no sacrifice at all. On average, presidential candidates receive less than 2 percent of their total financing from political actions committees.

 PACs do not generally contribute to presidential candidates because most PACs are congressionally oriented. It is in Congress and with congressional candidates that hey believe they achieve their greatest influence. They believe that too many people and too many interests contribute too much to presidential candidates. Their maximum contribution of $5,000 is a drop in the presidential bucket; they would be gaining very little from a maximum contribution. Whereas with a congressman a maximum contribution counts for more. More can be achieved with less; they do not have to give a maximum contribution to a congressman.

Presidential candidates do have a connection with the PAC process. Their connection is through candidate PACs. It is now an accepted part of the campaign process for serious presidential candidates to establish their own political action committees. They do it because they can form a PAC prior to declaring their candidacy for president, at which point they come under all the rules of the Federal Election Commission (FEC). Prior to this, they can operate without the strictures candidacy places upon them, as long as they are not a candidate while traveling state to state. For example, there is an overall campaign spending ceiling established by the FEC for each state. When a declared candidate goes to a state, all or most of the expenses of that trip have to be allocated in the state’s spending ceiling. For example, if candidates travel in New Hampshire up to four years prior to the campaign, they could approach the spending ceiling two years prior to the presidential election if they are not careful. It is preferable not to declare their candidacy and to have a political action committee raise money to support their travels. They also use PACs to contribute to other candidates, to establish obligations to draw upon during the presidential election year. They give $5,000 to a congressional race, hoping that the candidate will return the favor with support in a presidential race. PACs are a vehicle for raising money, developing contacts around the country, supporting candidates’ travel and a number of other activities. Presidential candidate PACs raise money mainly through direct mail. They send out millions of fundraising letters which identify potential contributors to the candidate. These contributors become a golden campaign list once candidacy is declared. Thus, the PACs do almost all the hard, preliminary work for the candidate’s presidential election campaign.

Presidential candidates do have a connection with PACs. Mondale, for example, had his Committee for the Future of America operating for three years prior to his declaration of candidacy.

In 1980, Ronald Reagan had his committee for the Republic operating for four full years prior to his announcement of candidacy, raising millions of dollars to support his activities. John Glenn, in order to be taken seriously as a presidential candidate, felt that he had to create a political action committee. Gary Hart was one of the only candidates who did not- not because he opposed PACs, but because he did not have the organization and the financing to be able to start one. Prior to 1984 Hart was not considered a major candidate.

There is only one other presidential connection to PACs. Even though Walter Mondale said that he would accept no PAC money, he directly benefited from PAC contributions. His strategy was to spend early and eliminate all of his challengers. He planned to be the nominee by Super Tuesday. Things did not work out that way. Instead, he spent more than half of the total amount allowed under public funding rules before Super Tuesday. He had a severe financial crunch. Whereas Gary Hart, because he raised so little prior to New Hampshire, could spend almost three times what Walter Mondale could, assuming he could raise the money by the end of the primary season. If Walter Mondale was in danger of being dramatically outspent by Gary Hart, what could he do? The financing rules have a lot of loopholes; one loophole in the financing rules is that PACs can not only give to a presidential candidate, they can separately and independently support delegate slates or individual delegates running for positions available at the national convention. In New York, in that crucial primary Hart outspent Mondale; but, most of Walter Mondale’s delegates, both as slates and as individuals, were raising money from PACs. They were spending separately- supporting their own election as Mondale delegates. Mondale benefited from PAC contributions even though he could properly say he was not accepting any and had no direct connections to PACs.

PACs are formed for the sole purpose of supporting candidates in political races. Before 1982, they were heavily Republican. They were groups such as NCPAC, the National Conservative Political Action Committee, and about 70 percent of all non-connected PAC funds went to Republicans. Because of that Republican bias, Democratic non-connected groups have begun to form. By 1982 there were so many Democratic non-connected groups that the Democrats actually gained a majority of the funds contributed by the non-connected PACs. There is a balance in the PAC system. When there is an imbalance in the system over time, a balance is developed because groups that are out of the system see PACs as a way to get involved and to have influence on political campaigns.

There are also a couple of current trends in PAC giving. One is not giving money to presidential or congressional candidates, but giving what are called “in-kind” gifts. These are services rather than money, such as a phone bank instead of a $5,000 contribution. This is done for a number of reasons. If a contribution is given, a check is sent from the PAC treasurer to the campaign treasurer. The candidate never sees it and probably never even knows it is there. He pays no attention to it. Instead a PAC decides to give an in-kind service. If they decide to take a poll for the candidate, they spend the same $5,000 that they would give in a contribution. In deciding on a poll they get to meet with the campaign manager and the staff, and they probably request a meeting with the candidate to show the results of the poll. They establish personal contact with the candidate and his key staffers, and they get noticed. They are known for giving $5,000, even though it was given in-kind.

Another trend is independent spending. NCPAC is our best example of this. With independent spending a political group does not give money directly to a candidate or campaign. Instead, without the knowledge of the campaign leadership, and without the candidate’s approval, it spends money on behalf of the candidate or the campaign. NCPAC usually supports Republican candidates and opposes Democratic candidates. They will spend more than $100,000 on media opposing a Democratic candidate and supporting a Republican candidate. How can they do that if

the limit is $5,000? The contribution limit is supposed to be $5,000 per election. They can do it because they spend the money independently. Without contacting the Republican candidate, and without calling any of the key staffers, they simply hire consultants, design their own media ads, place them with the television stations, and let the chips fall where they may. Independent spending is being done more and more by PACs because it allows them to spend more than the $5,000 limitation, and to have more influence on the races that they consider to be important.

The biggest controversy about PACs is about vote buying. Do PACs buy influence in a presidential administration? Do they buy votes on the floor of Congress? The evidence is very mixed. The pro-PAC people- business people- say no, “Oh no, PACs are merely a means for average independent citizens to join together in carrying the flag in the election campaign, to contribute to the candidates of their choice as Americans have done since the Revolutionary War.”

Common Cause says that PACs are buying votes and buying influence in a presidential administration. There is no other reason for contributing, and they are very blatant about it. Common Cause attempts to prove it by showing in vote after vote on the floor of Congress that a congressman who received thousands of dollars from a particular special interest group voted for that group’s bill. They have many examples of that and also examples of presidents supporting a PAC interest. Ronald Reagan has long been a favorite of the American Medical Association’s PAC; a person close to that PAC, and for many years an official of it, is now the chairman of the Federal Election Committee. Reagan appointed her to that commission, and Reagan has appointed a number of PAC managers to political positions.

Is there truth to the charges of vote buying on the part of PACs and influence peddling in presidential administrations? The answer is a qualified yes, sometimes. Truth is often in between the extreme possibilities, and I think this is so with PACs. It is clear that PACs buy access. When the contribute money to a presidential or congressional candidate, they are probably buying access to the candidate or his key staffers, in the event that the candidate is elected. If the PAC has given money its representatives can probably call and say, “We gave you $5,000, we’d like five minutes to present our case on the upcoming bill, or we’d like five minutes to back this particular nominee or suggest to the president that he nominate this particular individual.” If they have made a large enough contribution and have enough key supporters, who have backed that particular candidate, they can probably get in to see the officeholder. They do therefore buy access, but that is very different from buying a vote or buying the eventual judgment. Having one’s case heard displays influence, but it is not the whole ball game. It is not the decision. While Common Cause frequently points out the correlations between PAC contributions received during an election campaign and votes cast on the floor of Congress, the whole truth is much more complicated. For example, congressmen who receive contributions from the dairy PACs usually vote the price supports for dairy farmers, but it is also true that many congressmen who receive money from the dairy PACs have large numbers of dairy farmers as their constituents. Are they voting for the price supports because they received dairy PAC contributions or are they voting for the price supports because a large number of their voters are dairy farmers? When political scientists look at correlations such as those offered by Common Cause, we use more sophisticated forms of regression analysis. We find that most congressmen’s votes are not explained solely or even mainly by PAC contributions. They are explained more by party affiliation. Whether the congressman is Democrat or Republican determines more of their votes on special interest legislation than do PAC contributions. Their personal ideology determines more of their votes than do PAC contributions. Their constituency, whether dairy farmers or others, determines more of their votes than do PAC contributions. All of these elements are better predictors of votes on the floor of Congress than are PAC contributions.

While there are no studies of presidential decision making comparable to the congressional studies, the same pattern may prevail.

PAC contributions do make a difference in some votes on the floor of Congress. What kind of votes are they? They tend to be low visibility issues, out of the public spotlight. They tend to be committee votes that the press is not covering and that the public never hears about. When the press focus is absent, when the only people following the process are officers of the special interest group, congressman probably are going to vote for the special interest in return for the PAC contributions. It is important to remember that normally there are competing interests in any individual vote. A business interest and a labor interest follow a particular bill, each pressuring the congressman to vote its way. The congressman is the recipient of countervailing pressures. Ordinarily a major issue will receive press coverage, so that most votes simply are not directly influenced- or not overwhelmingly influenced- by PAC contributions. It is ludicrously naïve to think that PAC money never influence a congressman’s vote or a president’s decision. It is also irredeemably cynical to believe that PACs always or even usually push the voting buttons on the floor of Congress.

What then could be the overall evaluation of political action committees? We have to go back to Madison’s concept of America and special interests. James Madison felt that special interests, which he called factions, were essential to the operation of American democracy. In a free society in which liberty is the value we cherish most, he thought we should actively encourage the formation of special interest factions- the more factions the better. The more factions we can encourage to form, the less chance there will be that one or a small group of factions will dominate the political process. That is what we are seeing in the PAC systems. More and more PACs form on all sides of the political spectrum. At first the PAC system was labor dominated; then it became too heavily weighted on the business side and the independent group Republican-leaning side; then more PACs started developing on the Left and independent groups on the liberal, or Democratic, side. We are achieving a new kind of balance in the PAC system, which is all to the good.

PACs are also limited in other ways. First, by general suffrage- voters in the home district matter more than money to most politicians. If a politician is faced with a vote, say, on the floor of Congress, by voting affirmatively he might secure a maximum $5,000 contribution from a special interest group. If that special interest group is a particularly unpopular one with a large segment of his constituency, by voting affirmatively on that particular issue he can lose 5,00 votes. What do you think the congressman is going to do? Is he going to vote “yes” to get $5,000 or is he going to vote “no” to avoid losing 5,000 votes? In nine out of ten cases he is going to vote “no.”

Maybe in a perfect world PACs would not exist and would not be necessary. Unfortunately, there is no heaven on earth; and just as governments are here to stay, PACs are here to stay.

From *Society,* May/June1985, Vol.22, No.4, pp 56-59.

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|  | “PACs, Parties, and Presidents” by Sabato |
| **1) How does this article describe the effect PACs have on the legislative process?** |  |
| **2) How does this article describe the effect PACs have on political participation?** |  |
| **3) What two sentences in this reading are the most persuasive?** |  |

** 4) Based on your reading, write a short paragraph that explains why you think PACs are a positive, negative, or neutral influence in American politics today.**