Substance over sideshow

By John Samples - 09/13/11 06:44 PM ET

The Joint Select Committee on Deficit Reduction — the new congressional supercommittee — had hardly been created before campaign finance watchdogs began barking. David Donnelly of Public Citizen, a longtime advocate of public financing of campaigns, argued that supercommittee members should stop fundraising until their work has been completed. Others called for immediate disclosure of fundraising by supercommittee members.

The watchdogs believe supercommittee members are unlikely to support spending cuts or tax reform that harms their campaign contributors. Congress cannot ban contributions, so members are asked to pledge forbearance, the argument being that delaying fundraising would end “special interest” influence over the supercommittee.

Should most Americans hope they stop the money chase?

The watchdogs assume that money drives policy, and that halting fundraising would therefore prevent money from affecting the supercommittee now. But what about the future? For if moneyed interests are that powerful, surely they could simply promise supercommittee members donations next year (or the year after that) in exchange for blocking spending cuts or shielding them from tax reform.

So to follow the anticorruption logic of the watchdogs, they should actually be asking members to forego fundraising this fall and long after the supercommittee finishes its work. Such a pledge, however, would mean most of the supercommittee would have to retire from Congress — they would not have the means to wage campaigns for reelection, the exception being Sen. John Kerry (D-Mass.), who might be able to self-fund.

Of course, members in their final terms would not be accountable to voters. Do we really want vital budgetary decisions made by politicians who will never again have to face the voters?

So much for theory. Consider the actual decisions likely to be faced by the supercommittee. Social Security requires restraint and reform. The federal government has promised more in benefits than it can pay. Have campaign contributors brought about this crisis? AARP, a powerful advocate for more spending on Social Security, does not make campaign contributions. Foregoing fundraising will not make reforming that entitlement any easier.

What about Medicare? In the past, when Congress tried to limit Medicare spending, it has invariably cut reimbursements to medical providers. Congress thus tells voters that Medicare cuts fall on providers, not beneficiaries.

As a group, Medicare beneficiaries do not contribute to campaigns. Medicare providers — physicians, hospital associations and so on — are well-organized donors. Yet, when push comes to cut in policymaking, Congress always goes after the providers. Members fear the wrath of elderly voters. Stopping fundraising will not make the reform of Medicare any easier.

Fundraising has not prevented important policy changes in the past. Perhaps the best analogy to the supercommittee would be the congressional committees that passed the tax reform of 1986. Then, as now, Congress sought to end tax preferences in pursuit of both reducing tax rates and controlling deficits. With strong support from then-President Ronald Reagan, Congress eliminated $245 billion (in current dollars) in tax preferences. Of course, the leaders of that tax-reform effort received campaign contributions, as did the members who voted it through Congress.

The 1986 effort succeeded for several reasons. Both parties wanted reform for different reasons. Democrats inveighed against the fat cats. Reagan strongly backed reform as a way to lower tax rates and reduce government meddling in the economy. He did so at times contrary to the wishes of his own supporters. The media stayed on top of the battle and shamed members who tried to return to the old ways. Finally, the the-then chairman of the Senate Finance Committee, Sen. Robert Packwood (R-Ore.), abandoned his longstanding support for tax preferences at the last moment.

Surely the 1986 example shows the watchdogs are correct about transparency? Perhaps, but I am skeptical. Immediately disclosing contributions will likely foster debates about the links between members and their donors at a time when we need a public debate about the substance of entitlement and tax reforms. Disclosure, in short, may divert public attention away from the most important questions posed by the work of the supercommittee.

Money can corrupt politics. But to say that money can corrupt does not mean it always does, or that “following the money” always and everywhere tells you what you need to know about politics and policy. We should worry less about donations to members and more about how the supercommittee proposes to deal with our fiscal crisis. It is that substance, and not the sideshow of campaign finance, that will profoundly affect our futures.

Samples is director of the Center for Representative Government at the Cato Institut.