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Posted on Sun, May. 30, 2010

### Head Strong: A well-financed, and aboveboard, campaign

Some may look in dismay at State Sen. Anthony Hardy Williams' bankrolled run. But look again.



By Michael Smerconish - Inquirer Inquirer Currents Columnist

The ill-fated gubernatorial campaign of State Sen. Anthony Hardy Williams provides a case study in modern campaign finance. Some view his accepting a record contribution from a single source as politics as usual . . . on steroids. I see a system that worked.

Williams lawfully collected a reported \$3.3 million in donations from a PAC bankrolled by three Bala Cynwyd businessmen with a passion for school choice. The men, Arthur Dantchik, Joel Greenberg, and Jeff Yass, founded Susquehanna International Group, a locally rooted financial firm that in just over two decades has grown into one of the world's largest stock-option traders.

If you've never heard of them, they will be pleased. They choose to fly below the radar and don't grant media interviews. What little has been published about them offers that they are free-market entrepreneurs in the mold of Ayn Rand. According to a recent Philadelphia Magazine profile (written without the support of Susquehanna's partners), Yass is a board member at the Cato Institute, and Susquehanna donates more than \$500,000 each year to that libertarian think tank.

What we also know, by virtue of their donations to Williams, is that Dantchik, Greenberg, and Yass are believers in school choice and education reform - to the point of playing a role in the launch of a local charter school. Williams is also a charter-school founder and ran in the Democratic primary as a champion of school choice.

Through a properly registered PAC called Students First, the three local businessmen supported Williams' candidacy, turning what would have been a late-entry long shot into a campaign with a chance, albeit slim, of making a statewide impression.

Advocates of campaign-finance reform believe such extravagant donations breed backroom deals and pay-to-play politics. They say running a campaign on the backs of a few wealthy donors can leave candidates beholden to those powerful interests, leaving little fanfare for the common voter. I disagree. To the extent the system needs reforming, it should be in the direction of less, not more, regulation.

In *Buckley v. Valeo*, the landmark 1976 case regarding campaign finance, the Supreme Court disagreed. The court upheld the constitutionality of restricting campaign contributions, while striking down any limitation on the amount of money that candidates can spend on their own behalf.

So a candidate like Tom Knox, or Michael Bloomberg, or Ross Perot can give himself whatever he chooses. Right now, Linda McMahon, the Republican nominee for U.S. Senate in Connecticut, is promising to spend \$50 million to win the seat. But in many circumstances, an equally wealthy person working to defeat the Bloomborgs or McMahons of the world would be limited in how much he or she could donate to the self-funded candidate's opponent.

That seems like a dubious First Amendment distinction. Yet it's typical of the strange patchwork of regulations that govern modern campaign finance. Laws like McCain-Feingold are well-intentioned, but they'll always leave some loophole open to exploitation. At this point, we're micromanaging the funding of campaigns into a rabbit hole, and it's only getting deeper.

Pennsylvania, however, is one of 11 states that haven't enacted contribution limits. Hence the renewed discussion of reforming the system.

In this case, however, there was no relationship between the business interests of the three contributors and the reason for their support. Williams' campaign insisted that Susquehanna International had no pending business with the commonwealth. The company's operations have seemingly little to do with what happens in Harrisburg, owing its success more to poker than to politics. And Williams publicly pledged to outlaw big donors from getting no-bid government contracts.

The contributions enabled Williams to advertise on television, but they also drew significant attention in other mediums. The Inquirer ran four prominent stories about them.



STEVEN M. FALK / Staff Photographer

State Sen. Anthony Hardy Williams lawfully collected a reported \$3.3 million from a PAC financed by three businessmen.

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So the donations were aboveboard and should have been known to any intelligent voter, leaving that voter free to support Williams - or to vote against him if put off by the Susquehanna donations. Isn't that how the system should work?

Forget contribution caps or millionaire amendments. In fact, in an ideal world the Susquehanna founders wouldn't have to use a PAC to deliver their donations, and subterfuges such as 527s would go away, too. The only stipulation of campaign finance - and in an iPad world, it should be easy - needs to be complete and immediate disclosure. If billions of Twitter accounts can interact at a second's notice each day, Pennsylvania's Department of State should be able to post campaign donations online as they roll in.

In the case of Williams and Susquehanna, that online disclosure would have been accompanied by several lengthy newspaper articles detailing the contributions, where they came from, and how they came about. Anybody following the gubernatorial race had ample time to learn what prompted the donations and vote accordingly.

With few exceptions, the First Amendment has always protected an individual's right to say what he or she wants, while encouraging everyone else to respond accordingly. The same should be true along the campaign trail.

Contact Michael Smerconish via [www.smerconish.com](http://www.smerconish.com).

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**Johann** Posted 08:46 AM, 05/30/2010  
 Lets see smerconish backs another loser. After Spector Michael continues his quest for the biggest loser. Williams ran an ever so clever campaign slogan; "he thinks outside the box"; anyone who uses such a trite hackneyed banality ought to be banished from the world of clever w its forever. Again smerconish reveals his penchant for writing big stories about minor points. Maybe he is hoping that Williams rich friends will bankroll his future campaign as dog catcher.

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**smerconsalefty** Posted 09:16 AM, 05/30/2010  
 What smerconish is doing is avoiding any criticism of obama. The man is a complete fraud. Not a principled bone in his body. Sell his mother to the arabs for an NBC gig.

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**KENNYJR.** Posted 02:09 PM, 05/30/2010  
 Smerconsalefty, 1) love the handle & 2) thank you for hitting the nail on the head. I find it very telling that the "President's" total incompetence & buffoonery are given a total pass by his #1 cheerleader. Smerconehead has gone from endless, flowing praise of the man-child "President" to not even mentioning his name. Smerconehead knows he blew it BIG TIME, but pleasing whichever Party is in control means more to him than his credibility. I don't believe he ever had principles so I won't even go there. To paraphrase Bob Dylan with a slight alteration, "you only need listen to Smerconehead to know which way the wind blows".

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**PlumberJoe** Posted 09:41 PM, 05/30/2010  
 Michael says- "I see a system that worked." If we are to believe that the best candidate won, then the only thing that worked was voter intelligence.

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4 comments

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