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Campaign Finance and Political Polarization

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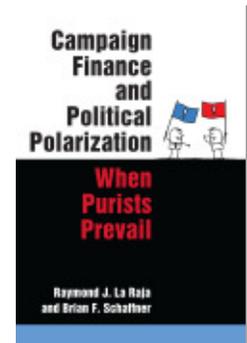
Published by University of Michigan Press

La Raja, J. & Schaffner, F..

Campaign Finance and Political Polarization: When Purists Prevail.

Ann Arbor: University of Michigan Press, 2015.

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Notes

Chapter I

1. Rasmussen Report, “53% Think Neither Political Party Represents the American People,” April 24, 2014. Accessed September 11, 2014. http://www.rasmussenreports.com/public_content/politics/general_politics/april_2014/53_think_neither_political_party_represents_the_american_people.

2. Washington’s Farewell Address 1796, The Avalon Project, Lillian Goldman Law Library, Yale Law School. Accessed September 14, 2014, at http://avalon.law.yale.edu/18th_century/washing.asp.

3. Prior to 2002, “soft money” referred to campaign funds given to political parties with no limits on the source or size of the contribution. Under the Bipartisan Campaign Reform Act of 2002, however, the national parties were banned from financing federal elections with soft money. See Public Law 107-155 (March 27, 2002). <http://www.gpo.gov/fdsys/pkg/PLAW-107publ155/pdf/PLAW-107publ155.pdf>.

4. The issue of buying votes in the legislature has been studied extensively. The findings are at best mixed, and most studies suggest there is no relationship. For a review of the research on this topic see Stephen Ansolabehere, John M. deFigueiredo, and James M. Snyder, “Why Is There So Little Money in U.S. Politics?” *Journal of Economic Perspectives* 17, no. 1 (2003): 105–30. The most sophisticated work on political influence indicates the process is more complicated than campaign contributions. See, for example, Frank R. Baumgartner, *Lobbying and Policy Change: Who Wins, Who Loses, and Why* (Chicago: University of Chicago Press, 2009).

5. Super PACs are a new kind of political action committee (PAC) that emerged in the wake of the federal court case *SpeechNow.org v. Federal Election Commission*. Based on this decision, PACs are allowed to raise and spend money without constraints so long as they spend the funds independently of the candidate they are supporting.

6. For a review of the literature on causes of polarization see Geoffrey C. Layman, Thomas M. Carsey, and Juliana Menasce Horowitz, “Party Polarization in American Politics: Characteristics, Causes, and Consequences,” *Annual Review of Political Science* 9, no. 1 (2006): 83–110.

7. Alex Isenstadt, “GOP Could Pay a Price for Gerrymandering,” *Politico*, July 1, 2013. Accessed July 3, 2013, at <http://www.politico.com/story/2013/07/gop-could-pay-price-for-gerrymandering-93597.html?hp=t1>. For evidence against this viewpoint, see John Sides, “Gerrymandering Is Not What’s Wrong with American Politics,” in Wonkblog, *Washington Post*, February 3, 2013. <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/02/03/gerrymandering-is-not-whats-wrong-with-american-politics/>.

8. For a perspective on resource dependency theory as it relates to parties, see Panebianco (1988). For a broader application of the theory, see Pfeffer and Salancik (1978).

9. In their heyday of the mid-19th century, the American political parties were a provider of social services and sponsor of entertainment during elections. See Michael E. McGerr, *The Decline of Popular Politics: The American North, 1865–1928* (New York: Oxford University Press, 1986).

10. See William P. Riordan, ed., *Plunkitt of Tammany Hall, by George Washington Plunkitt*. Made available online by Project Gutenberg, release date December 29, 2008. Accessed September 14, 2014, at <http://www.gutenberg.org/files/2810/2810-h/2810-h.htm>.

11. Subsequent theoretical research has helped demonstrate why parties find it electorally beneficial to be distinctive, showing that voters prefer parties that convey solid information about their platforms compared to those that remain opaque, even if the latter party is closer to voter preferences. See James M. Snyder and Michael M. Ting, “An Informational Rationale for Political Parties,” *American Journal of Political Science* 46, no. 1 (2002): 90.

12. See Edmund Burke, “Thoughts on the Cause of the Present Discontents” (1770). Accessed September 14, 2014, at <http://www.ourcivilisation.com/smartboard/shop/burkee/extracts/chap2.htm>.

13. The 1950 APSA report on political parties recommended that the finance limits on parties be removed and that they should receive government financing as well. This recommendation never came to pass, and the parties at the national level remained handicapped by, among other laws, the Hatch Act (1940), which put a \$3 million cap on party spending. See American Political Science Association, “Toward a More Responsible Two-Party System,” *American Political Science Review* 44, no. 3 (1950): Supplement.

14. These views have been made most provocatively in Bawn, Cohen, Karol, Masker, Noel and Zaller (2012). It should be noted that party scholars not affiliated with UCLA have made similar conceptual arguments about networked parties. See, for example, Paul S. Herrnsen, “The Roles of Party Organizations, Party-Connected Committees, and Party Allies in Elections,” *Journal of Politics* 71, no. 4 (2009): 1207–24. Accessed September 16, 2014, at <http://www.people-press.org/2014/06/12/political-polarization-in-the-american-public/>. Other scholars include Jonathan Bernstein, Casey Dominguez, Matthew Grossman, and Richard Skinner.

15. A good example of this kind of coalition building took place among conservatives in the Republican Party. See John Cassidy, “The Ringleader: How Grover Norquist Keeps the Conservative Movement Together,” *New Yorker*, August 1, 2005, p. 42.

16. Above and beyond political spending, the candidate benefits from the cumulative effect of coordinated support. When a party coalition converges on a candidate, it sends a strong signal to attentive voters that the candidate supports the party agenda

and stands a good chance of winning. These voters may have ties with such groups and compose a significant portion of the electorate, particularly in primaries and low-turnout general elections.

17. See Michael Dimock, Jocelyn Kiley, Scott Keeter, and Carroll Doherty, “Political Polarization in the American Public” (Washington, DC: Pew Research Center, 2014). Accessed September 16, 2014, at <http://www.people-press.org/2014/06/12/political-polarization-in-the-american-public/>.

18. See Wilson (1962).

19. We thank Jonathan Bernstein for several of these insights about the two differing approaches.

20. This point is not addressed sufficiently in the UCLA model. The UCLA theorists argue that factions differ on issues, but that the issues are so unrelated as to not affect the willingness of disparate factions to form a coalition. The implicit theoretical argument is that factions agree to take on coalition members so long as a new issue faction does not undermine the policy goals of any particular factional member. We believe this is an unrealistic assumption, especially given the importance of agenda setting in accomplishing policy goals.

21. Jenna Portnoy and Robert Costa, “Eric Cantor’s Tea Party Opponent in Va. Primary May Be Picking up Momentum,” *Washington Post*, May 13, 2014. http://www.washingtonpost.com/local/virginia-politics/eric-cantors-tea-party-opponent-in-va-primary-may-be-picking-up-momentum/2014/05/13/1a2d92d0-d9d7-11e3-b745-87d39690c5c0_story.html.

22. See Jennifer Medina, “California’s Nonpartisan Primary Shows Independents to Be in Short Supply,” *New York Times*, June 6, 2012. <http://www.nytimes.com/2012/06/07/us/politics/independents-falter-in-california-primary.html>.

23. Cameron Joseph, “Untamed Cruz Refuses to Play Nice with GOP Campaign Arm,” *The Hill*, July 8, 2014. <http://thehill.com/blogs/ballot-box/senate-races/211641-untamed-cruz-refuses-to-play-nice-with-gop-campaign-arm>.

24. In the American party system, the party committees are typically separated according to the two elected branches of government. Each chamber in the legislature has its own party. At the national level the Democrats have the Democratic Congressional Campaign Committee (DCCC), the Democratic Senatorial Campaign Committee (DSCC), and the Democratic National Committee (DNC). The Republican counterparts are the National Republican Congressional Committee (NRCC), the National Republican Senatorial Committee (NRSC) and the Republican National Committee (RNC).

25. We believe our analysis about how campaign finance laws change the substantive character of political parties provides an important corrective to recent scholarship that too easily embraces an “open-system” organizational model of political parties, suggesting that parties are entirely malleable “shape shifters” in response to changes to the campaign finance laws or other regulations. See, for example, Bawn et al. (2012); Gerken (2014); Issacharoff and Peterman (2013); Skinner, Masket, and Dulio (2012).

26. Phone interview on June 11, 2014, with Neil Reiff, Washington-based election lawyer at Sandler, Reiff, Lamb, Rosenstein, and Berkenstock, who serves as counsel for Democratic state parties.

27. A clear example of this is the use of “social welfare” organizations to wage political campaigns. These tax-exempt groups are organized under section 501(c)(4) of the tax code, including prominent issue groups such as the National Rifle Association and the Sierra Club. They are allowed to participate in some political activity, so long as it is not their primary purpose (usually meaning that such political activity constitutes less than half their spending). These groups do not have to report their donors to the IRS or the FEC.

28. We may be among the first to demonstrate this dynamic systematically, but some historical evidence supports our view that campaign finance laws confer advantages on particular factions and party coalitions. At the turn of the 20th century, for example, the national parties began to turn to organized interests when Mugwump reformers created civil service requirements that limited the party organizations’ ability to dispense patronage (e.g., La Raja 2008; Mutch 2014). Formal theoretical models in which parties serve as brokers between groups and candidates indicate that moderate candidates should receive more resources when party organizations serve as brokers of campaign funds than when candidates receive money unmediated from interest groups (McCarty 2013). Krimmel (2013) also demonstrates that states with relatively strong party organizations have less polarization today than other states.

29. Boris Shor and Nolan McCarty, “Measuring American State Legislatures,” accessed September 13, 2014, at <http://americanlegislatures.com/2013/05/21/state-legislatures-and-polarization>.

30. We are indebted to Keith Hamm and his team of researchers for allowing us to use their historical data on party finance rules in the states between 1960 to 1996.

31. Milyo has used the data in Adriana Cordis and Jeffrey Milyo, 2013. “Do State Campaign Finance Reforms Reduce Public Corruption?” (working paper, Department of Economics, University of Missouri, 2013).

32. The Ranney Index measure of interparty competition, developed by political scientist Austin Ranney, is a widely used and long-standing indicator of competition for control of government in the American states. The Ranney Index has several components: proportion of success, duration of success, and frequency of divided control in state governments. We are grateful to Thomas Holbrook for providing the most recent data.

Chapter 2

1. See Colorado Secretary of State, “Contribution Limits,” accessed July 17, 2014, at <http://www.sos.state.co.us/pubs/elections/CampaignFinance/limits/contributions.html#naturalPerson>.

2. In support of the unlimited ability to spend money, the leading opinion in *Buckley* included the following: “the concept that the government may restrict the speech of some [in] order to enhance the relative voice of others is wholly foreign to the First Amendment.”

3. See *Federal Election Commission v. Wisconsin Right to Life, Inc.*, 551 U.S. 449 (2007); *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010).

4. See Center for Responsive Politics, “Donor Demographics,” accessed September 26, 2014, at <http://www.opensecrets.org/overview/donordemographics.php>.

5. Comments of Mark Kilmer at Redstate Roundtable #6: Should Conservatives Donate to the RNC, NRSC and NRCC? Viewed January 11, 2015, at http://archive.redstate.com/stories/elections/redstate_roundtable_6_should_conservatives_donate_to_the_rnc_nrsc_and_nrcc.

Chapter 3

1. Arizona, Maine, and Connecticut have “clean elections” financing, which provide a large grant to candidates who choose to forego private financing of their campaigns.

2. The data in our analysis includes all party committees at the state level, which typically means state central committees, legislative campaign committees, and local district committees.

3. David M. Herszenhorn, “A Curious Coalition Opposed Bailout Bill,” *New York Times*, October 2, 2008, available at http://www.nytimes.com/2008/10/03/business/03naysayers.html?_r=0.

4. For most groups seeking benefits, it is relatively easy to set up a PAC. At the federal level and in most states, the administrative costs of operating a PAC can be defrayed with revenues of business and professional associations. Not so for advocacy groups, where overhead costs must be paid for with funds raised from individual members (which means there is less money to spend on candidates). Most parties face the same disadvantage, except in states like New York, where parties can raise soft money to pay for administrative overhead.

5. We exclude incumbents who had no opposition.

6. If we estimate the first model without the competitiveness variable, the coefficient for the ideological extremism variable is statistically significant and negative, indicating that parties are a greater source of support for moderate candidates.

Chapter 4

1. The traditional debates about campaign finance reform centered on concerns about corruption, implying the buying of votes by wealthy contributors. While reform advocates continue to cite the problems of corruption, most expert observers agree that influence is not so much about quid pro quo exchanges, but more nuanced and structural forms of power that include the buying of access and effort, as well as gate-keeping roles in helping to choose who runs for and wins office. Some legal scholars have broadened the definition of corruption to include such “economies of influence” (Lessig 2011; Teachout 2014). Underlying these enlarged conceptions of corruption, however, is the notion of unequal influence in the political process (see Hasen 2013).

2. When Shor and McCarty look at individual chambers they find that 59 of the 99 legislative chambers (Nebraska has a unicameral legislature, which Shor and McCarty include as “senate”) have seen an increase in polarization, while 24 states have been in a relatively stable relationship to one another over time; 16 chambers experienced a *decline* in polarization during this period.

3. Because we are able to extract the Catalyst ideology scores for about half of the state legislators, we can use that subset of legislators to determine the appropriate

model for rescaling the Shor and McCarty ideology scores to be on the same scale as the scores we use for constituents.

4. Models of spatial voting in a two-party system imply that legislators, under electorally competitive conditions, should end up representing the median voter (Downs 1957).

5. Comments of Scott Arceneaux, executive director of the Florida Democratic Party. Phone interview on April 10, 2014.

6. It makes no difference for our findings when we include states with relatively high contribution limits in our category for unlimited. Regarding measures of ideological scores, for an explanation of how they are generated, see Shor and McCarty (2011) and Boris Shor, “Measuring American Legislatures,” available at <http://americanlegislatures.com/data/>.

7. The states classified as having professional legislatures are AK, AZ, CA, CT, DE, FL, HI, IL, MA, MI, MN, NC, NJ, NY, OH, PA, SC, TX, WA, and WI.

8. A similar effect exists when we estimate a more stringent model controlling for individual and organizational limits and using state fixed effects.

9. This finding about individual limits generating greater polarization suggests an interesting paradox about the use of contribution limits. On the one hand, these limits might thwart corruption, its appearance, or more basically, the unequal influence of large donors. On the other hand, setting contribution limits incentivizes the candidates to find additional individual donors to achieve the same amount of fundraising. We know from chapter 2 that small donors are highly polarized, and so a system that relies on political appeals to small donors may exacerbate the polarizing tendencies of the campaign finance system.

Chapter 5

1. The UCLA school argues, for example, that primary laws aimed at diminishing the power of party bosses (by turning over the selection of party nominees to the electorate) have been ineffective. They argue that the “party is back” because, despite primaries, party elites control nominations through coordinated endorsements and financial support (Cohen et al. 2008). But we would ask: who are these party elites and have they changed over time? The UCLA school appears to see no distinction between the purist and pragmatist factions of the party, lumping them together as if they were not antagonistic in many situations. Our view is that primaries have given greater power to elites in the purist faction relative to the pragmatists because purists can mobilize factions in low-turnout elections in ways that pragmatists cannot. Pragmatists in party organizations are prohibited by law, or local norms, from choosing and supporting favorite candidates in the primary. Others have made a similar point with respect to the impact of reforms on the success of different kinds of candidates. See, for example, Polsby (1983).

2. To be sure, pragmatists also work outside the formal party structure for various “shadow” party organizations and interest groups, especially economically oriented groups. On the Republican side, these include those who work for the Chamber of Commerce; on the Democratic side, they include some mainstream labor unions.

Both sets of groups seek bread-and-butter benefits such as less (or more) regulation and taxes.

3. As we argued in previous chapters, other valuable inputs include policy expertise, access to large membership groups, and leadership in critical geographic locations (e.g., electoral swing states).

4. We want to be clear that we are not saying that limits and bans have no impact on the total amount of campaign money in elections. They do—to some extent because most participants in elections are not inclined to pay the additional costs of getting around the regulations. The wealthiest and most sophisticated political groups can always conceive of alternatives. The alternatives they choose, however, are not perfectly substitutable.

5. For a record of votes on the McCain-Feingold Act, see Govtrack.us at <https://www.govtrack.us/congress/votes/107-2002/h34>, accessed August 6, 2014.

6. Super PACs may accept unlimited contributions and spend unlimited sums so long as they do so independently of parties and candidates. Super PACs report the names of their donors to the Federal Election Commission, which are then made public. The 501(c)4 organizations derive their names from the IRS tax code and are officially “social welfare” organizations, which may spend money on elections so long as such activities are not their primary activities (in practice, this means they must spend less than half of total expenditures on elections). These organizations may also raise unlimited sums, but the difference is such organizations do not have to disclose their donors publicly.

7. Philip Rucker, “Governors Christie, Walker and Kasich Woo Billionaire Sheldon Adelson at Vegas Event,” *Washington Post*, March 29, 2014. Available at http://www.washingtonpost.com/politics/governors-christie-walker-and-kasich-woo-adelson-at-vegas-event/2014/03/29/aa385f34-b779-11e3-b84e-897d3d12b816_story.html.

8. Theodor Meyer, “How Much Did Sheldon Adelson Really Spend on Campaign 2012?” *ProPublica*, December 20, 2012. Retrieved August 22, 2014 at <http://www.propublica.org/article/how-much-did-sheldon-adelson-really-spend-on-campaign-2012>.

9. Attentive donors enlarge their influence by investing in races early rather than jumping on the bandwagon toward the end of a race. The inclination to give early, particularly during primaries, helps shape the candidate field and the issue agenda of political campaigns. While the formal party organization coordinates with policy-demanding groups in the early stages of an election, the enthusiasm and financial heft of activists (working through their organizations or directly with candidates) gives them a strong bargaining position vis-à-vis the pragmatists in the party. The pragmatists, who are the ultimate realists, acquiesce to helping to elect ideological candidates whom the purists have settled upon.

10. Some recent research from Dimock et al. (2014) and Ahler and Broockman (2014) suggests that some Americans are not necessarily moderate, but express extreme positions on both sides of the ideological spectrum, depending on the policy. Political scientists use the term “issue constraint” to describe those who are ideologically consistent in their views. We do not doubt that a large portion of the electorate lacks issue constraint, and even embraces extreme positions on the left and right. However, we suspect many of these citizens are not very interested in politics and do not vote with high frequency.

11. This figure is calculated by comparing the share of money donated by individuals in the outer third of the ideological spectrum to that donated by those in the middle third.

12. One recent study indicates that liberal Republican and conservative Democratic state legislators are less likely to run for Congress than those at the ideological poles (especially among Republicans), because these potential candidates do not see themselves as “fitting” ideologically into the national parties (Thomsen 2014). We believe they get this message, in part, from the activists and donors who tend to support candidates in their race for Congress.

13. Paul Blumenthal, “Chris Murphy: ‘Soul-Crushing’ Fundraising Is Bad for Congress,” *Huffington Post*, May 7, 2013. http://www.huffingtonpost.com/2013/05/07/chris-murphy-fundraising_n_3232143.html.

14. In Connecticut, for example, Professor Gary Rose has noted that the legislative leaders in this state, which has long been noted for its moderate politics, have become more ideological (email exchange, August 6–7, 2014). Recent changes to the campaign finance law now give party leaders more control over financing of elections, which some observers fear will give party leaders too much power. Given that the leaders in either party have strong policy preferences, one logical consequence is that this change will make the parties more ideological. We disagree because these party leaders are not extremists and they reflect the mainstream positions of the party caucus. We believe that giving these leaders more power will reduce the possibility that extremist factions in either party will emerge to finance elections in any meaningful way.

15. An earlier decision, *Wisconsin Right to Life v. FEC* (2007), had already opened the door to such spending by narrowly defining electioneering spending. The FEC claimed under the BCRA of 2002 that groups could not air broadcast ads mentioning a federal candidate in the weeks leading up to an election. Chief Justice Roberts, in the majority opinion, argued this restriction was overly broad and set a standard that an ad can be restricted only if it is “susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate.”

16. The Taft-Hartley Act of 1947 prohibited corporations and unions from making direct expenditures in connection with an election campaign for federal office.

17. The rise in IEs at both the state and federal levels predated these court decisions. *Citizens United* and *SpeechNow.org* simply made it easier for different groups to embrace IEs.

18. For more background on the data collection go to “Independent Spending’s Role in State Elections, 2006–2010,” National Institute on Money in State Politics. Accessed September 24, 2014. <http://classic.followthemoney.org/press/ReportView.phtml?r=481&ext=1#Methodology>.

19. Dan Eggen and T. W. Farnam, “Pair of Conservative Groups Raised \$70 Million in Midterm Campaign,” *Washington Post*, December 2, 2010. http://www.washingtonpost.com/wp-dyn/content/article/2010/12/02/AR2010120205667.html?wprss=rss_politics.

20. See, for example, the editorial “The Court’s Blow to Democracy,” *New York Times*, January 21, 2010.

21. The parties have been able to make independent expenditures as a way of avoiding constraints on supporting their candidates through contributions or coordinated

expenditures. In the decision *Republican Federal Campaign Committee v. FEC*, 533 U.S. 431 (2001), the Court held that the First Amendment prohibits the application of the party expenditure provision of the act to “an expenditure that the political party has made independently, without coordination with any candidate.” Note, however, that political parties, in contrast to nonparty groups, must raise their funds under contribution limits required by law; nonparty groups face no such limits according to the decision in *SpeechNow.org v. FEC* No. 08-5223, D.C. Cir. March 26, 2010.

22. Byron Tau, “Last Call for State Parties?” *Politico*, February 16, 2014. Available at <http://www.politico.com/story/2014/02/last-call-for-state-parties-103559.html>.

23. Telephone interview with election law attorney Neil Reiff of Sandler Reiff Lamb Rosenstein & Birkenstock, P.C., in Washington, D.C., June 11, 2014.

24. Byron Tau, “Last Call for State Parties?” *Politico*, February 16, 2014. Available at <http://www.politico.com/story/2014/02/last-call-for-state-parties-103559.html>.

25. Karen Tumulty, “Super PACs’ Spending Isn’t Always Welcomed by Candidates They Support,” *Washington Post*, August 5, 2014. Available at http://www.washingtonpost.com/politics/super-pacs-spending-isnt-always-welcomed-by-candidates-they-support/2014/08/04/ecc36ed6-18ed-11e4-9349-84d4a85be981_story.html.

26. Greg Sargent, “Breaking: Wisconsin Dems Throw Weight behind Drive to Recall GOP Senators” (The Plum Line), *Washington Post*, March 3, 2011. http://voices.washingtonpost.com/plum-line/2011/03/breaking_wisconsin_dems_throw.html.

27. Paul Bedard, “Democratic Party, GOP Warn They Could Die,” *Washington Examiner*, June 5, 2014. <http://washingtonexaminer.com/over-political-parties-say-laws-regs-are-putting-them-out-of-business/article/2549322>.

Chapter 6

1. Our inclination to believe that the institutional flow of money is exacerbating polarization seems buttressed by findings that the underlying mass donor populations have not changed much in the past 40 years. Donors have always been ideological, but they were no more ideological during the years of increasing polarization than when the party officeholders were much more moderate (La Raja and Wiltsie 2012). What has changed is the channels through which campaign dollars flow and the proportion of campaign support coming from different constituencies. Candidates rely more heavily on individual donors and “purist” groups than on benefit-seeking PACs (see Barber 2013). New uses of technology and the prominent role of partisan media in the past two decades may have helped mobilize donors to support like-minded politicians and groups rather than simply supporting party candidates, regardless of ideological positions.

2. See Keenan Steiner, “Progressive Groups Threaten Corporations on Political Giving,” March 12, 2012, Sunlight Foundation (blog). Accessed September 30, 2014, at <http://sunlightfoundation.com/blog/2012/03/12/progressive-groups-threaten-corporations-political-giving/>.

3. The charges of leaders in Tea Party organizations that the IRS harassed them in the lead-up to the 2012 elections is a case in point. Regardless of whether the intent was to focus on conservative groups or not, the IRS did not seem prepared to make

decisions about what constitutes electoral activity, and their ham-handed efforts hurt the legitimacy of the organization. See Gregory Korte, “Tea Party Groups Detail ‘Harassment’ by IRS,” *USA Today*, June 4, 2013, at <http://www.usatoday.com/story/news/politics/2013/06/04/irs-tea-party-harassment/2388203/>.

4. See New York City Campaign Finance Board, “Public Matching Funds.” Accessed September 27, 2014, at <http://www.nycfb.info/candidates/candidates/publicmatchingfunds.aspx>.

5. One study suggests that small donors tend to finance more ideological candidates (Bonica, McCarty, Poole, and Rosenthal 2013). In pursuing the small donor, partisan groups radicalize their messages, highlight their ideological affinity with the small donor, and demonize the other side. See Matt Bai, “The Scourge of Small-Money Politics,” *Yahoo News*, August 7, 2014. Available at <http://news.yahoo.com/the-scourge-of-small-money-politics-083659479.html>.

6. National Conference of State Legislatures (NCSL), “Public Financing of Campaigns: An Overview” (updated January 23, 2013). Accessed March 23, 2013, at http://www.ncsl.org/research/elections-and-campaigns/public-financing-of-campaigns-overview.aspx#Party_Public_Financing.

7. Jenny Wilson, “New Campaign Finance Rules Meant Rolling Back Some Post-Rowland Reforms,” *Hartford Courant*, June 19, 2013, available at http://articles.courant.com/2013-06-19/news/hc-campaign-finance-changes-20130611_1_outside-spending-campaign-spending-much-political-parties.

8. At the federal level, the national committees played a similarly vital role for a short while in presidential contests. From 1992 to 2004, the DNC and RNC gained prominence because their presidential nominees accepted public funds and could not raise and spend private funds. The parties, however, could use their funds (including soft money prior to 2002) to advertise and build coordinated campaigns to mobilize voters.

9. Telephone interview, August 29, 2014, with Ken Martin, chair of the Minnesota Democratic-Farmer-Labor Party.

10. Joint Testimony of Neil Reiff and Donald McGahn before the Senate Committee on Rules and Administration, April 30, 2014. The two lawyers have served as counsel for Democratic and Republican party committees, respectively. McGahn served as a commissioner at the Federal Elections Commission from 2009 to 2013.

11. Quoted in Byron Tau, “Last Call for State Parties,” *Politico*, February 16, 2014, available at <http://www.politico.com/story/2014/02/last-call-for-state-parties-103559.html>.

12. Some argue that the parties are as wealthy now as before the reforms were passed. However, inflation-adjusted figures show that financing for the national committees is flat or declining (La Raja 2013). At the state level, parties are emphatically raising and spending less money, especially in support of federal elections (Reiff 2012). Given the strengthening of the party system, we would argue the parties should be infinitely richer than they were in the 1970s during the candidate-centered era.

13. See Code of Federal Regulations, Title 11—Federal Elections, Section 110.5. Accessed September 30, 2014, at <http://www.gpo.gov/fdsys/pkg/CFR-2011-title11-vol1/xml/CFR-2011-title11-vol1-sec110-5.xml>.

14. Data compiled by the National Conference of State Legislatures show that in Connecticut in 2013, the law increased contribution limits to parties. In Nevada in 2013, the parties no longer had to comply with several PAC regulations for committees they

created or sponsored. See 2014 campaign finance database accessed September 27, 2014, at <http://www.ncsl.org/research/elections-and-campaigns/campaign-finance-database-2014.aspx>.

15. See Luke Wachob, “2013 State Legislative Trends: Campaign Contribution Limits Increase in Nine States” (Alexandria, VA: Center for Competitive Politics, 2014). Accessed September 27, 2014, at http://www.campaignfreedom.org/wp-content/uploads/2014/02/2014-04-25_Legislative-Review_Wachob_2013-State-Legislative-Trends-Increasing-Contribution-Limits.pdf.

16. These states included Alabama, Arizona, Florida, Michigan, Minnesota, North Carolina, and Wyoming.

17. One reform advocate, Josh Silver, director of United Republic, argues that poll-testing of the electorate indicates that voters do not get excited about campaign finance unless the issue is framed in terms of traditional quid pro quo corruption (Silver 2013). Thus, reformers tend to focus on lurid quid pro quo corruption as a way to attract attention for the cause, even if this does not reflect what is going on. For this reason, United Republic has made fictionalized videos of cigar-smoking politicians on the take from money interests or senators behaving like pole-dancing strippers to get cash. See, for example, <https://www.youtube.com/watch?v=6VEFXB0uNRI>. Silver’s organization has sent its staff in the guise of lobbyists to a congressional fundraiser. The phony “lobbyists” then accidentally drop an opened suitcase of cash at the feet of the member of Congress. Of course, this is all caught on video.

18. Nancy L. Rosenblum describes the evangelical resonance of Progressive reformers in her excellent book, *On the Side of Angels*, suggesting that the anticorruption efforts invoked biblical references of chasing the money-lenders from the temple (2008, 171).

19. Hume believed that parties based too strongly on principle were capable of “madness” and “fury,” which would pull the political system apart. See David Hume, *Essays, Moral, Political and Literary*, Part I, VIII: Of Parties in General. Available at Library of Economics and Liberty. Accessed September 30, 2014, at <http://www.econlib.org/library/LFBooks/Hume/hmMPL.html>.

20. Among the pragmatic interests, we emphatically favor the political parties over the business interests in financing campaigns. One reason is that business interests tend to have a bias toward conservative candidates; another is that business interests overwhelming support incumbents, which gives officeholders significant advantages in elections over challengers. See Fourinaies and Hall (2014).

21. See Bob Bauer’s insightful comments on the political craft of balancing multiple constituencies and electoral self-interest in “Politicians: The Good, the Bad, and the Corrupt—and Their Different ‘Constituencies,’” July 31, 2014, in his blog *More Soft Money Hard Law*. Accessed September 27, 2014, at <http://www.moresoftmoneyhardlaw.com/2014/07/politicians-good-bad-corrupt-different-constituencies/>.

22. Nancy Rosenblum makes a similar argument about election reforms, such as direct primaries, that constrained party organizations during the Progressive era. Such reforms, she argues, did not necessarily limit the clout of party elites. but did absolve them from the “obligation of responsibility” (2008, 301).

23. See Eliza Newlin Carney, “Democrats Reintroduce DISCLOSE Act,” *Roll Call*, June 24, 2014, at <http://blogs.rollcall.com/beltway-insiders/democrats-reintroduce-disclose-act>.

24. Phone interview with Jaxon Ravens, chair of Washington State Democrats, on July 17, 2014; phone interview with Matt Fenlon, executive director of Massachusetts Democratic Party, on March 13, 2014.

25. Robert Costa, “Mitch McConnell and Free Speech,” *National Review*, June 19, 2012. Accessed September 29, 2014, at <http://www.nationalreview.com/articles/303220/mitch-mcconnell-and-free-speech-robert-costa>.

26. Pew Research: Center for the People and the Press, “Public Priorities: Deficit Rising, Terrorism Slipping,” January 23, 2012, available at <http://www.people-press.org/2012/01/23/public-priorities-deficit-rising-terrorism-slipping/>.

27. See, for example, testimony to New York State’s Moreland Commission to Investigate Public Corruption Public Hearing (September 24, 2013) from Ian Vanderwalker of the Brennan Center for Justice: “Lowering contribution limits from their current sky-high levels will reduce the disparity between what most can afford to give and the highest contributions, ensuring that the public match acts as a strong incentive for candidates to seek out donations from average New Yorkers. In order to make lower contribution limits meaningful, loopholes must be closed and there must be a strong, independent enforcement agency.” Accessed September 30, 2014, at <http://www.brennancenter.org/analysis/moreland-commission-public-financing-can-restore-trust-government>.

28. Some groups of reformers and newspaper editorial boards have been pushing for a constitutional amendment that would set spending limits on campaigns and establish a standard that corporations are not natural persons and therefore lack the same rights to free speech as individuals. Senate Joint Resolution 19 proposes such an amendment to the constitution. See Editorial Board, “An Amendment to Cut Political Cash,” *New York Times*, September 10, 2014. http://www.nytimes.com/2014/09/11/opinion/an-amendment-to-cut-political-cash.html?emc=edit_tnt_20140911&nclid=2166340&ntemail0=y&r=0 and <https://beta.congress.gov/113/bills/sjres19/BILLS-113sjres19rs.pdf>.

29. Thomas B. Edsall, “Who Needs a Smoke-Filled Room?” (Opinion Pages), *New York Times*, September 9, 2014. See http://www.nytimes.com/2014/09/10/opinion/karl-rove-the-koch-brothers-and-the-end-of-political-transparency.html?_r=0.