Why has it proved so difficult to reform campaign finance?

As the old saying goes, 'Money like water, will always find an outlet', can be applied to the process of Presidential campaign financing. Many efforts have been made to reform the campaign financing system since 1860, and before the Federal Election Campaign Act was introduced, concerns for the system were increasing, over the amount of money being spent by candidates in the run up to an election, and in presidential elections themselves, whilst also concerns over how the money was being spent. However, because of loopholes found in the law, some of the efforts to reform the campaign financing system have been rendered useless, or have been chipped away, for example with the Buckley v. Valeo case.

A real eye opener came for the need to reform the campaign financing system from the Watergate Scandal. It was through President Nixon's Committee for the Re-election of the President (CRP), that President Nixon was able to raise large amounts of money, far exceeding the amount of his competitor, George McGovern. The CRP essentially allowed the Watergate Scandal to take place, and the Watergate affair led to the resignation of President Nixon's resignation after only 2 years of presidency.

The first real success in reforming campaign finance was in 1972, when the Federal Election Campaign Act (FECA). This act limited individual and corporate contributions to an Electoral campaign to $1,000 and $5,000 respectively, it also limited candidates expenditure in the primaries and in the Federal Election itself, however, it also established the Federal Election Committee to enforce and regulate the new system. The Federal Election Commission looked to reduce and restrict the influence which wealthy individuals may have on a presidential candidate's campaign, by limiting donations made by Political Actions Committees.
Senator John McCain used campaign reform as a centre piece for which he would base his bid for the Republican Presidential nomination. This led to the McCain/Feingold act which is also known as the Bipartisan Campaign Reform Act (BCRA). This is the most recent law relating to campaign finance. The law revised some of the limits placed on expenditure in the FECA, and it banned National Party Committees from raising or spending 'soft money'. Soft money is unregulated contributions to National Political parties. However, it also doubled the limit of 'hard money' from $1000 to $2000It also banned the use of Union or Corporate money to broadcast advertisements that mention a federal candidate within 60 days of a general election or 30 days of a primary. Contributions from foreign nationals were also banned.

However, loopholes were found in the law, and FECA and the BCRA were chipped away. Firstly, with the Buckley v. Valeo Supreme Court case, this case set out to prove that limiting what individuals or Political Action Committees could spend either supporting or opposing a Presidential candidate in a Presidential campaign, was in breach of their 1st amendment right of Freedom of Speech, and that the law, was therefore unconstitutional. The Supreme Court ruled that this was the case, and that the law was impinging a citizen's freedom of speech, and was therefore unconstitutional.

We also saw in 1979, a larger chip taken off the law, which allowed parties to raise money for aspects such as voter registration and 'get-out-the-vote' drives, as well as ‘party building’ activities. However, as we said earlier, this was regarded as soft money, and people found it very hard to regulate, without infringing on 1st amendment rights, and gradually became out of control. In 2004, during the general election, came the imminence of ‘527’ groups, who were named after the respective tax code. A 527 group is a nonprofit group who may lobby for specific laws or reforms. 527 groups are often seen as a way around some of the Campaign Finance reforms which have been put in place, which limit these donations which a candidate can accept when running for office. An example of a 527 group is ‘America coming together’ and ‘Swift Boat Veterans For Truth’, who raised and spent millions of dollars. However, most of this was donated by a few rich and unknown people.

However, we can see that the role of finance in the Presidential primaries is important. Front loading is the process in which we have seen recently, in which an increasing number of states schedule their Presidential primaries or caucuses for early in the electoral cycle. In doing this, the state hopes to increase the importance of their state in choosing major party presidential candidates. With the onset of this increasing number of states looking to ‘front load’ there is relatively little time to raise money once the primaries have actually begun. In 2000 however, we saw Republican Elizabeth Dole pull out of the race prior to the primaries even beginning, complaining that ‘the money has become the message’.

In conclusion, I believe that the reason the Campaign Financing system has proved so difficult to reform, is because firstly, there are too many loopholes in the law, and people are always going to find a way through the Constitution to manipulate a law to their liking. However, many people – powerful people, simply do not want to reform the campaign financing system, as it gives them the advantage – if they are wealthy. For example, in the 2008 Democratic nomination race, Barack Obama and Hilary Clinton Raised and Spent almost $500 million between them, and as we saw Elizabeth Dole pulling out of the race in 2000, effectively, it gives the wealthy an edge. This may be why it has proved so difficult to reform, because many people do not want reform. However, this is the problem, as the amount of money which a Presidential candidate holds, can be their message, as opposed to their policy proposals etc.

However, there have been some proposals for Campaign Finance Reform, for example, what people are calling ‘clean money’ or ‘clean elections’. This is when each candidate who chooses to participate is given a certain, set amount of money. In order to qualify for this money, the candidate must collect a number of signatures, and small contributions – usually $5. The candidates are not allowed to accept external funding and donations, or their own personal funds.
Another method called ‘matching funds’, allows a candidate to raise funds from private donors, but provides matching funds for the first chunk of these donations. A system like this is used in the Presidential Primaries, however, there are fears that this method can be used as a safety net for the losers in these races.