July 9, 2001

Dear Representatives Shays and Meehan:

We are scholars who have studied and written extensively on political parties in the United States. After passage of the McCain-Feingold Bill in the Senate, many critics of that legislation argued that eliminating soft money would destroy or severely weaken political parties. These are serious charges that, if true, would lead us to vigorously oppose the McCain-Feingold and Shays-Meehan Bills. Because of the indispensable role they play in aggregating public preferences, organizing elected representatives and providing a critical means of democratic accountability, we are staunch supporters of political parties. We conclude, however, that contrary to the contentions of campaign finance reform critics, the elimination of soft money would not decrease the ability of political parties to carry out their crucial democratic functions. Indeed, there is substantial reason to believe that political parties will be strengthened, rather than weakened, by the reforms contained in the McCain-Feingold and Shays-Meehan bills.

It is beyond dispute that political parties, over the last decade, have increasingly relied on soft money to fund their activities. In 1984, the Democratic and Republican parties raised $396.4 million in hard money, and only $21.6 million in soft money. By 1992, the political parties had raised $445.0 million in hard money and $86.2 million in soft money. In the recent 2000 election cycle, the two parties raised $717.2 million in hard money and $487.5 million in soft money. Thus, soft money today accounts for some 40 percent of all political party funding

But we question whether the recent influx of soft money to political parties has in any meaningful way strengthened the parties. Modern political parties began to become stronger institutions in the 1970s and through the 1980s, well before the explosion of soft money. They adapted well to the new campaign and financing environment, in important part by becoming repositories of professional expertise and building strong national organizations to aid their candidates. Relatively generous coordinated spending limits gave them license to provide substantial direct and indirect assistance in elections, financed by contributions raised under the FECA.

The advent of soft money and candidate-specific issue advocacy has dramatically altered how parties operate. They now rely increasingly on a small number of very large donors. In 2000 some $300 million of the parties' soft money came from only 800 donors. The national party committees have restructured their fundraising operations to court these large donors, raising worrisome questions about undue influence of large donors on the judgment of policymakers and the appearance of corruption. Moreover, that soft money, mixed with the requisite blend of hard dollars, is used overwhelmingly to finance candidate-specific television ads that appear in just a small handful of highly competitive House and Senate races. Those ads offer nothing in the way of party image or platform. There is little pretense of broader party building or generic party advertising; indeed very few even bother to mention either political party by name, though the candidates are always carefully identified. They are indistinguishable from ads sponsored by individual candidates, and testing shows that viewers assume that these ads are in fact sponsored by individual candidates, not parties. Grass-roots activities tend to be

shortchanged in this brave new world of soft money and election-oriented issue advocacy. The only thing that matters is winning the marginal seat that might determine which party controls the Congress.

Political parties and candidates will adapt, as they always have, to the new rules of the game. Even if not a penny of the soft money raised by the parties in the 2000 election cycle were replaced -- an unbelievable assumption -- the political parties would nevertheless have substantial hard money resources to remain strong and vigorous institutions. The hard money alone that the political parties raised in 2000, some $717.2 million, was far beyond any total, both hard and soft, that the political parties were able to raise in any federal election cycle prior to 1996. And, as we argue below, parties are certain to redirect their current soft-money raising efforts toward hard money, thereby increasing the pool of resources far beyond current hard money totals and broadening their base of grass-roots contributors.

In a post-soft money world, political parties will likely limit their candidate-specific television advertising to the coordinated spending limits recently affirmed by the Supreme Court and invest a much larger share of their resources in voter mobilization and other party–building activities. Recent political science research confirms that voter outreach efforts through personal contacts are significantly more effective than television advertising in influencing voters. The political parties' goal is to win elections, not to spend money, and they are likely to adapt to the new McCain-Feingold rules by investing in more cost-effective grassroots activities.

Thus, party committees could thrive in a post-soft money world. Federal election law already gives political parties advantages in raising money and assisting their candidates through substantial coordinated expenditures, and the McCain-Feingold Bill increases hard money contribution limits to the national and state parties. State and local political parties are also likely beneficiaries under the Levin-Ensign Amendment. As modified by Shays-Meehan, these provisions permit state and local political parties to spend unlimited amounts of soft money (raised in accordance with state law) on voter registration and get-out-the-vote activity that does not mention a federal candidate. Donors are limited to contributing $10,000 per state, district or local committee, and there are additional provisions intended to ensure that each party committee raises and spends the money independently. With corporations, labor unions, and wealthy individuals prohibited from making soft money donations to the national political parties, state and local parties would be free to tap them for substantial donations that will strengthen grassroots party-building activity. And stronger grassroots state and local parties will eventually translate into stronger national parties.

We would also expect, in a post-soft money world, to see more cooperation between national party committees and their state and local affiliates. Hard money being raised by state and local party committees has been growing at a faster rate than the hard money being raised by the national party committees. With the elimination of soft money, the national parties will need to work more in concert with state and local committees to raise hard dollars that can be used on joint federal and non-federal activities. Indeed, before the advent of soft money, it was more common for political parties to run coordinated campaigns and joint activity with state parties and federal candidates. We expect to see more of this in the future.

In conclusion, the elimination of soft money will have a significant impact, at least in the short run, on political party fund-raising. However, political parties will be able to raise very substantial amounts of hard money in the future, even more than they have in the past, and they will doubtless maintain their position in the forefront of electoral actors. Money will be raised in smaller amounts, from a larger base of contributors, which will ameliorate the current potentially corrupting and agenda-altering focus on a small set of large donors. In terms of spending, the parties will likely shift away from candidate-specific advertising and towards more grassroots, get-out-the-vote, and party-building activities. Because parties have longer term interests than individual candidates, this shift in emphasis should ultimately strengthen the political parties.

Respectfully submitted,

Paul Allen Beck
Professor and Chair, Department of Political Science
Ohio State University

Janet M. Box-Steffensmeier
Associate Professor, Department of Political Science
Ohio State University

Anthony Gierzynski
Associate Professor, Department of Political Science
University of Vermont

Donald Green
A. Whitney Griswold Professor of Political Science
Director, Institution for Social and Policy Studies
Yale University

Leon D. Epstein
Hilldale Professor of Political Science Emeritus
University of Wisconsin, Madison

Paul Herrnson
Professor of Government and Politics
Director, Center for American Politics and Citizenship
University of Maryland

Ruth Jones
Professor of Political Science
Arizona State University

Ira Katznelson
Ruggles Professor of Political Science and History
Columbia University

Robin Kolodny
Associate Professor of Political Science
Temple University

Jonathan S. Krasno
Visiting Fellow, Institution for Social and Policy Studies
Yale University

Thomas E. Mann
W. Averell Harriman Senior Fellow in American Governance
The Brookings Institution

Norman Ornstein
Resident Scholar
American Enterprise Institute

Mark J. Rozell
Professor of Politics
The Catholic University of America

David A. Schultz
Professor, Hamline University
Law Professor, University of Minnesota

Frank J. Sorauf
Regents' Professor Emeritus of Political Science
University of Minnesota

Clyde Wilcox
Professor of Government
Georgetown University

Raymond E. Wolfinger
Heller Professor of Political Science
University of California, Berkeley