The rise of billionaire politicians - Log Cabin Democrat (Conway, AR) - February 17, 2019 - page A4

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Nobel Laureate James Buchanan thought that politicians were mostly self-interested. He believed that we could explain the actions of politicians by their desire to be reelected or by their desire to enrich themselves. He was certainly on to something -- given how many Congressmen become millionaires only after they assume office. However, I am willing to give politicians a little more credit than Professor Buchanan thought was warranted. I think that many times, politicians have the best intentions at heart and they do act hoping to make the country a better place. Unfortunately, when the politicians try to fix a problem, they often change the incentives that people face and they create a solution that is a bigger problem than the original mess that they were trying to fix. Campaign finance laws provide a perfect illustration.

Campaign finance laws attempt to keep rich people from purchasing influence with politicians. Everyone except the rich people who are trying to buy influence think this is a noble goal. After all, if our elected representatives are catering to the interests of their fat cat contributors, they are not looking out for the rest of us.

In an effort to keep money from corrupting the political system, the government prohibits individuals from donating more than $2,800 to an election. Given this restriction, the super-rich have a harder time influencing elections. Although there is a loophole since the rich can contribute to Super PACs, which work on behalf of candidates, but which cannot coordinate with candidates.

Unfortunately, these campaign finance restrictions have not removed the influence of money in politics. Campaigns are still raising enormous sums of money. According to Open Secrets, $5 billion was spent in the 2018-midterm elections, while during the 2016 election campaign, candidates raised $1.5 billion for the Presidential race alone. Super PACs dedicated to influencing the Presidential race collected another $618 million in contributions.

The main result of campaign finance laws has been to limit the people who can make a successful run for office. No longer can a poor person with little national name recognition successfully seek office by finding just a few wealthy backers. Now a candidate must be able to field an organization that can raise these immense sums of money. People without access to this kind of fundraising infrastructure cannot run a serious campaign.

There is one exception. People who are already rich do not need to be able to raise huge amounts of money from people who can each only make small contributions. These rich people already have enough money to self-finance a political campaign. In recent years, we have seen the rise of the billionaire candidate. Billionaire Donald Trump is president. Billionaires Michael Bloomberg and Howard Schultz are at least thinking of running for president. People a bit less wealthy than these three have also run for office. Multimillionaire Mitt Romney was a presidential candidate, multimillionaire J.B Pritzker won the Illinois Governor race, and multimillionaire David Trone won a House seat in Maryland.

It is ironic that campaign finance laws tried to remove the influence of money from politics. This did not work. Instead, the laws created incentives that made it much more likely that the super-rich would be the candidates that won elections.

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