No. 02-1674

In The
Supreme Court of the United States

MITCH McCONNELL, SENATOR, et al.,

Appellants,

v.

FEDERAL ELECTION COMMISSION, et al.,

Appellees.

On Appeal From The United States District Court For The District Of Columbia

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BRIEF OF RODNEY A. SMITH AS AMICUS CURIAE IN SUPPORT OF APPELLANTS

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STATEMENT OF INTEREST OF AMICUS CURIAE[1]

Rodney A. Smith is a marketing and fundraising consultant. He has been National Finance Director for the National Republican Congressional Committee, Treasurer and Finance Director of the National Republican Senatorial Committee, and Comptroller and Finance Director of the Republican National Committee. He has been involved in fundraising efforts for many campaigns including more than 50 statewide efforts. In 1996, he received the "Pollie Award" from the American Association of Political Consultants as the "Most Valuable Player in a Campaign," the only finance professional ever given this award.

In addition to his practical experience as a political fundraiser, he is also a scholar. For seven years he served on the faculty of the University of Maryland School of Business and has recently completed a book-length manuscript on campaign finance restrictions and their unintended consequences.

This brief is based in large measure on exhaustive research he amassed in preparation for the writing of his definitive study, soon to be published, titled, "The Sunset of Citizen Sovereignty in America."

[1] All parties in this matter have consented to the filing of this Amicus Curiae Brief, as evidenced by letters of consent lodged with the Clerk. This brief was not authorized, in whole or in part, by any counsel for a party. No person or entity, other than the amicus curiae, made monetary contribution to the preparation or submission of this brief.

SUMMARY OF THE ARGUMENT

The history of campaign finance reveals an early reluctance on the part of the nation's political leaders to interfere in the operations of federal elections. Their instincts were sound, particularly in relation to political parties, which were originally organized and controlled by the people rather than by government. In the first decade of the 20th century, the U.S. Congress began to commandeer the electoral process and to dictate to political parties the way in which they could collect and spend campaign funds. These regulatory efforts were instituted to rein in the undue influence of high-dollar contributors and to eliminate the "appearance" of corruption. The Supreme Court has perennially supported Congress in these efforts, mistakenly assuming that restrictive legislation would actually accomplish these ends.

This brief argues that the unintended consequences of federal control have been (1) a further heightening of the role big money plays in elections and (2) even greater advantages for rich candidates, and further empowerment of incumbents, who as the result of this regulation are all but unbeatable.

Part 1
Political Fundraising

America's competitive, two-party political process is at the crossroads. Its life-blood, political fundraising, is under siege. Marketing, technological, legislative and market changes have emerged almost simultaneously to undermine political fundraising and exponentially increase its complexity and cost. Under the best of circumstances, political fundraising is a hard sell. These ever-increasing restrictions are making it infinitely more difficult to raise regulated so-called "hard" dollars.

Without an adequate, continuous supply of money, our political process, the best in history, will fall apart – a victim of well-intended campaign restrictions that have substantially shut down the political debate they were intended to foster.

The single most devastating blow to hit political fundraising is the financial stranglehold imposed by the Supreme Court's decision in *Buckley v. Valeo*, 424 U.S. 1 (1976), which has only been made worse by the passage of the Bipartisan Campaign Reform Act.

While campaign finance reform has mandated changes in political fundraising, none of the finance reform laws provide a funding mechanism, other than scarce "regulated dollars" (money raised in compliance with federal regulations) to pay for the development of systems needed to operate any new form of fundraising. To draw an analogy with the commercial world, what campaign finance reform has done to political fundraising is similar to what would happen if a law were passed outlawing high-priced jewelry and Tiffany's had to immediately become a "Wal-Mart" without the benefit of any of the elaborate support systems that enable Wal-Mart to effectively and efficiently function.

The Current Political Fundraising Market

According to the Federal Election Commission ("FEC"), the population of the United States in April 2000 was 281,421,906, of which 209,128,094 represent the voting age population. In November 2000, 101,452,285 people voted for the two major party Presidential candidates (or 48.5% of the eligible voters).

FEC data shows that during the 1999-2000 Presidential election cycle, barely 1% of Americans gave a campaign contribution to a federal candidate, political party committee or Political Action Committee.

The Donor Matrix (*see* Appendix Chart A) shows a breakdown of the people nationwide who made a political donation during the 1999-2000 Election Cycle.

Chart A shows that approximately 3.5 million Americans made a political contribution at the federal level during the 1999-2000 election cycle. This figure represents only 1.2% of the total U.S. population and 1.7% of the total voting age population. Eighty percent of these donors, or roughly 2.7 million people, gave less than $200. These smaller contributions are the most time-consuming and expensive to raise. In terms of $200+ donors, there is roughly one donor (Republican, Democrat or Independent) for every 350 people, or one donor out of every 200 households in the average congressional district. What this all means from the point of view of fundraising is that trying to raise significant amounts of money in any given congressional district for a political party or candidate is difficult and not unlike trying to find a large number of needles in the proverbial haystack.

It is important to note that according to a survey conducted by McLaughlin and Associates back in 2000, these estimated 3.5 million donors represent a reasonable guess of the entire known universe of known political donors in America. These people supply *all* the individual donor money for *all* the committees and candidates – including Republicans, Democrats, and Independents across the country. That means this small group supplies *all* the individual donor money for Presidential Candidates, Senatorial Candidates, and House Candidates; for *all* state and local candidates, for *all* national, state and local party committees, and for *all* federal reporting political action committees.

The Changing Political Fundraising Market

When the Supreme Court made its landmark ruling in *Buckley v. Valeo*, 424 U.S. 1 (1976), the dominant political fundraising audience in America was the "Patriot Generation," consisting of people born before 1925. The year 1925 is important because it is the last year an individual could have been born and suffered through the depression and been old enough to fight in World War II, both of which were life-altering experiences.

Think what America was like prior to 1925. No television, no Internet, few phones, some cars, and lots of small towns. Children raised during this time were generally taught to believe that their role as citizens was to make society better. They joined groups like the Boy and Girl Scouts; they respected authority, leadership and civic-mindedness. Growing up in a national "small town" culture, gave them a sense of civic duty and patriotism. As they aged, they volunteered and donated money because it was part of their inner image.

Over 60 million Americans born prior to 1925 were alive in 1976. As children, this pre-1925 generation looked at such things as Sears & Roebuck and Montgomery Ward catalogs for entertainment as well as for shopping. They grew up with mass communication conducted via letters, newspapers, magazines, billboards, and catalogues. They were accustomed to doing things through the mail. When the political contribution limits first went into effect in 1976, this generation was largely an untapped source of political giving. Thus, direct mail appeals to the Patriot Generation audience became an important source of new money and helped offset some of the sting imposed by the new financial restrictions. Subsequent to the *Buckley v. Valeo* decision this Patriot Generation audience became the broad-base financial backbone for most political organizations. Prior to that decision most political support was received via a smaller number of larger contributions, which was and still is the least expensive way to quickly raise substantial sums of money.

Now at the dawn of a new century most of the Patriot Generation has disappeared. As a consequence, that source of reliable revenue for political organizations is also substantially gone. Most of the political financial support being generated right now is coming from the Depression/World War II generation (i.e., people born between 1926 and 1945). In terms of psycho-graphics, this "Transition Generation" contains a mixture of characteristics from both the Patriot Generation and the later Baby Boomer Generation (1946-1964).

The parents of the Transition Generation drilled the lessons of the Great Depression into the heads of their children. Thus, the people born between 1926-1945 tend to be organization-loyal and value-oriented. They resemble their parents in that they tend to give generously to charity. The problem with this Transition Generation in terms of fundraising is its size; it only represents about 12% of the adult market. So as a source of political funding, their potential is limited.

The most important fundraising market today is the huge "Baby Boomer Generation" (70 million) whose propensity for giving to political organizations and candidates is still largely unknown. Equally troubling is the fact that the marketing techniques and tools to entice "boomers" to make political contributions are also largely undeveloped.

"Boomers" tend to be self-centered. They were told life is a voyage of self-discovery and that they could do anything they wanted. They are the only generation that ended a war (Vietnam) and brought down a president (Nixon). They grew up watching lots of television and using the telephone extensively. They tend to buy first, pay later, use credit cards and like monthly payment plans. They accept the phone and TV as methods of transacting business. In short, the psycho-graphic profile of the Baby Boomer Generation is far different from the psycho-graphic from that of their Patriot Generation elders.

The Changing Techniques of Marketing

What this shift in psycho-graphic profiles from the Patriot Generation to the Baby Boomer Generation means, in terms of broad-based political fundraising, is that the old fundraising paradigm of mass marketing, including mass media, mass mail, and even mass telemarketing, is slowly giving way to a radically new marketing paradigm specifically targeted at Baby Boomers and the younger emerging markets.

These new marketing techniques are best explained simply as "one-to-one" marketing. Instead of raising money via mass mailings to a single homogeneous group like the Patriot Generation, we are heading toward a time when to be successful at mass marketing fundraising, political organizations will have to be able to generate customized, individualized appeals. Books like *The One to One Future* and *Enterprise One to One* by Don Peppers & Martha Rogers; *The Next Economy* by Elliott Ettenberg and *Defining Markets Defining Moments* by Geoffrey E. Meredith & Charles D. Schewe all discuss various aspects of this emerging reality. An example of the marketing change now taking place in politics is the decline in money being raised from the Patriot Generation via direct mail and the increase in money being raised from the Transition Generation and the leading edge of the Baby Boomer Generation via telemarketing.

To meet the new marketing demands and emerging marketing paradigm, political organizations and candidates will have to be able to access communication systems that provide the ability to interact with people on the issues that are important to each individual via the medium preferred by the person. However, campaign finance laws block the access to financial resources and cooperative business relationships necessary to effectively develop such sophisticated marketing systems. Therefore every political organization's ability to compete in the evolving new fundraising world is seriously hampered.

Modes of Fundraising

There are four ways to ask an individual for money: (1) send them a letter (Direct Mail); (2) phone calls (Telemarketing); (3) face to face (Finance Committee); and (4) send them an email (Internet). It should be noted that as the volume of people contacted increases via the implementation of one or more of these modes of fundraising, the nature of the fundraising effort changes.

Volume Changes Form

As the size of something increases, the more its form tends to change. For example, the various functions that occur within a typical congressional campaign often look substantially the same as these same functions occurring within a Presidential campaign. But they are not always the same thing. At some point, the sheer volume of the number of units involved in a particular function will force a change in its form.

A simple example of this dynamic is the function of processing contributions. Every campaign has to process checks. Yet a clerk processing two thousand checks over the course of a congressional campaign has a far different kind of check processing system than the check processing system for a Presidential campaign that receives several hundred thousand checks over the same time period. This principle of "volume changing form" impacts every aspect of fundraising, particularly as political fundraising scrambles to offset the loss of large contributions.

The Volume Chart (*see* Appendix Chart B) illustrates that as the volume of contributions received increases and the average contribution declines, the cost of generating the additional contributions also increases. This is a mathematical certainty. As a consequence to make up for lost revenue resulting from the imposition of contribution limits, the volume of smaller contributions must increase as the average contribution amount declines. This dynamic results in unavoidable higher fundraising cost.

In fact, there is an inverse functional relationship between fundraising cost and average contribution. The higher the average contribution, the lower fundraising costs will be as a percentage of gross receipts. The reverse is also true. The lower the average contribution, the higher the fundraising cost will be.

Chart C shows four different ways to raise one million dollars. *See* Appendix Chart C.

Each of the examples in Chart C has its own special fundraising challenge. For instance, compare Example 1 with Example 4: Attempting to get $1 million from one person is a radically different fundraising challenge than attempting to get $10 from 100,000 people. Spending $5 to get a $1 million contribution is nothing. But spending $5 per contribution to raise $1 million from 100,000 donors seems expensive. Yet nothing has changed but the volume and the average contribution. The human effort, the cost, the mode of fundraising used, the support systems needed, the time involved – all these things are different for each and every example shown.

Donor Acquisition

The cost dynamic of fundraising is further complicated because every fundraising organization must also spend money "acquiring" new donors. This process is commonly referred to as "prospecting." The goal in prospecting is to attempt to break even, which means the first contribution received from each new donor is used to fund the entire cost of an organization's growth. However, breaking even at prospecting is a difficult objective to realize. In fact, it is often an impossible goal to achieve. In such situations an organization's growth must be partially funded out of general operating funds.

The fact that money must be consumed to acquire new donors exacerbates the cost dynamics of fundraising. Unfortunately few people understand this aspect of fundraising, which invariably leads to the misperception of "high fundraising cost."

Given that the active donor audience for most political organizations is relatively fixed, there are only two ways a fundraising operation can grow. One is by increasing the average contribution. The other is by prospecting for more donors. Since the mandated contribution limits imposed by campaign finance reform severely limit every political organization's ability to increase its average contribution amount, the only alternative available to candidates and political organizations that want and/or need to generate additional revenue is by acquiring more donors.

Chart D is similar to Chart C, in that it demonstrates four ways to raise one million dollars. *See* Appendix Chart D. However, Chart D also incorporates an assumed $10 acquisition cost per donor in addition to the assumed $5 per donor fundraising cost.

Example 1 shows a $15 or .0015% cost to raise $1 million dollars. Dirt-cheap! But when the exact same cost dynamics of $5 per gift and $10 for acquisition is applied to 100,000 donors the total fundraising cost of $1.5 million, or 150%, seems outrageous. Yet none of the costs elements have changed. What changed is the average contribution and the volume of gifts.

The reason for the huge variance between Example 1 and Example 4 is the unavoidable functional relationship between cost, volume and the average contribution. As volume and the average contribution amount change, so does the cost and the form of the fundraising challenge. As these examples clearly demonstrate, the aggregate fundraising cost as a percentage of gross receipts increases as volume increases and the average contribution drops.

What campaign finance reform has done by imposing contribution limits on candidates and political organizations is to mandate a lower average contribution amount, necessitating the need to significantly increase volume in order to make up the lost revenue. Thus, the imposed financial restrictions and limits have increased every political organization's fundraising costs.

It might be argued that the increase in the allowable "hard dollar" contribution amounts included in the Bipartisan Campaign Reform Act has mitigated the harsh reality of this mathematical dynamic. However, in terms of real purchasing power these increases in the contribution limits are deceptive. The FEC is estimating that the inflation factor in 2004 will be 446% in terms of adjusting for 1976 dollars, which is when the limits were first imposed. When the old individual contribution limit of $1,000 is adjusted into 1976 dollars it is only worth $225 in terms of purchasing power in 2004. As a consequence, the new individual contribution limit of $2,000 is really only worth $450 in terms of 1976 dollars. Thus, the new contribution limits incorporated in the most recent campaign reform law are not really increases because they do not make up for the loss in purchasing power due to inflation.

Unfortunately, few people in or out of politics have an understanding of the mathematical realities of fundraising. Moreover, this general lack of understanding may well mean that the next great misperception to plague political fundraising will be "the perception of the corruption of high fundraising costs."

Part 2

As a direct consequence of restrictions on campaign contributions, Congress, with the endorsement of the judiciary, has made politics, like polo, a game for the rich – the court mandated "patrician class." People of modest income (the court mandated "plebeian class") are consigned to the sidelines while the Financial Elite (*see* Appendix Chart E) support candidates or set up political advocacy programs outside the established two-party system.

Sometimes the Financial Elite become candidates themselves, maximizing their chance of victory by spending as much of their own money as is needed. In recent elections, some candidates have spent literally tens of millions of dollars of their private funds. In fact, one political committee of a major party is actively seeking candidates who are multimillionaires and can "pay their own way."

What the Congress set out to do was to get big money out of politics. Instead, they have devised a system that makes it virtually impossible for citizens without personal wealth to compete successfully for federal office. The only spending constraint on the financial elite is the magnitude of their fortune and the amount they choose to commit to politics.

While wealthy candidates can and do accept outside financial help, this does not mean they need it. In fact it is not uncommon for them to lend their campaigns a substantial sum of money and then, after winning the election, raise the money needed to repay their loans.

Candidates without personal wealth cannot do this. To compete successfully, non-wealthy candidates need all the outside financial support they can get – and in the past, this necessary help has come from political parties, the Great Equalizers in elective politics.

Consider just one problem the not-so-rich encounter. While running for public office, few can work full time. In fact, employers could face charges of making an illegal corporate contribution if they kept a federal candidate on their payroll. Candidates without wealth often have a hard enough time paying their personal expenses – the mortgage, family groceries, credit card bills, *etc.* – while running for public office. Most do not have extra funds available to contribute or lend to their campaign. Thus, without a substantial amount of outside financial aid, these candidates are almost always defeated before they begin.

Chart F displays a schematic diagram of America's financial elite – Billionaires, Centimillionaires, Decamillionaires and simple, ordinary Millionaires. *See* Appendix Chart F.

An estimate of the funds controlled by the "super-rich" is roughly $10 Trillion (*see* Appendix Chart G) – a staggering sum of money. To get some sense of the magnitude of this wealth, consider this fact – as of June 2003 our national debt was $7.4 Trillion, *less* than the combined wealth of the super-rich. It should be emphasized that the figures in Chart G are only a best-guess estimate based on available information. But even if these estimates are 50% off, the amount of money controlled by the Financial Elite is still daunting. If only a quarter of one percent of this money were ever spent on politics during any given election cycle, it would dwarf the total sum of all other sources of political funding. Chart G makes the problem abundantly clear.

The fact that this amount of money is controlled by a relatively small group of people has marginalized middle-income and lower-income candidates and has prevented political parties from making up the difference. The whole electoral process is weakened by the creation of an unpredictable, autonomous financial force outside the established order. That this will have a devastating effect on our competitive two-party political process is almost a certainty. In addition, giving this kind of advantage to the rich increases the possibility that someone who obtains significant wealth through white-collar crime, drug trafficking, mob connections or terrorist activities could use those dollars to become a powerful political figure in America.

Candidate Contributions

The financial information shown in the charts is compelling evidence that the winning of House and Senate races is substantially (though not exclusively) the prerogative of the financial elite. On occasion, non-wealthy candidates do win elections for federal office. But a careful review of the bottom section of Chart H (Senate Challengers Defeating Senate Incumbents) shows how vulnerable incumbents without wealth are when a member of the financial elite decides to challenge them. *See* Appendix Chart H.

This evidence should be disturbing to those who advocate heightened government control of elections in order to curtail the impact of money. Indeed, the increase of high-dollar influence *coincides* with the increase of restrictions. The more Congress fiddles with the process, the more they empower the very people they are trying to bridle. The correlation is uncanny.

In setting up the voluminous amount of election and financial data for analysis (collected respectively from the Clerk of the House and the Federal Election Commission), the following five-tiered system was established to rank the competitiveness of campaigns:

Rank	**Title**	**Descriptions**
5	No Contest	Campaigns won by 15% or more
4	Not Competitive	Campaigns won (10%-14.99%)
3	Semi-Competitive	Campaigns won (5%-9.99%)
2	Competitive	Campaigns won (2.5%-4.99%)
1	Extremely Competitive	Campaigns won (0-2.49%)

Utilizing this competitive ranking system, Charts H, I, and J show the average contribution amounts for winners and losers for the period 1992-2000.[2]

In reviewing the charts that follow, note that in order to win the seat of an incumbent, the challenger must be not merely a millionaire – but often a multi-millionaire.

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[2] *See* Appendix Chart H for Senate races; Appendix Chart I for House races; Appendix Chart J for open seats.

These charts illustrate the startling degree to which money has influenced the outcome of political campaigns. In his book *Monopoly Politics*, James C. Miller states that 332 seats are locked up for one party or the other. This estimate is reinforced by the fact that during the period 1992-2000 95% of the House incumbents were re-elected. So the power of incumbency and the priority access of incumbents to regulate "hard money," have made members of the House of Representatives all but immune to defeat.

Fundraising Ratios – House

Chart K is a detailed summary by source of all the money raised by *House* candidates for the period 1992-2000. *See* Appendix Chart K. It is also the chart used to calculate the fundraising ratios between incumbents and challengers. These ratios highlight the financial advantage wealthy House candidates enjoy.

House Incumbents Re-elected

- The total average dollars raised by the 1821 Incumbents was $655,044 to Challengers' $190,012 or a *3.5 to 1* advantage.
- The average Individual money raised by Incumbents is $345,978 to Challengers' $111,129 or a *3.1 to 1* advantage.
- The average PAC fundraising by Incumbents is $298,523 to Challengers' $36,506, or an *8.2 to 1* advantage.
- The average personal money spent by Challengers over Incumbents was $42,377 to $10,543 or a *4 to 1* advantage.

House Incumbents Defeated

- The total average dollars raised by the 86 Incumbents defeated was $1,022,462 to the winning Challengers' $638,223, or a *1.6 to 1* advantage. Note: Incumbent raising more money than the average winning Challenger suggests the presence of additional money being spent by an outside force – either a political party committee(s) and/or a special interest group(s).

- The average Individual money raised by Incumbents is $553,244 to Challengers' $333,713, or a *1.7 to 1* advantage.

- The average PAC fundraising by Incumbents is $443,258 to Challengers' $194,354, or a *2.3 to 1* advantage.

- The average personal money spent by Challengers over Incumbents was $110,156 to $24,960 or a *4.4 to 1* advantage.

House Open Seats

- The total average dollars raised by winners was $764,753 to losers' $502,183, or a *1.5 to 1* advantage.

- The average Individual money raised by winners was $422,063 to losers' $251,196, or a *1.7 to 1* advantage.

- The average PAC fundraising by winners was $226,410 to losers' $128,934, or a *1.8 to 1* advantage.

- The average personal money spent by losers over winners was $122,053 to $116,280, or a *1.1 to 1* advantage.

House Incumbents Defeating Incumbents

- The total average dollars raised by the winning Incumbents was $792,539 to the losers' $794,336, or *1 to 1*.
- The average Individual money raised by Incumbent winners is $458,472, to losers' $375,147, or a *1.2 to 1* advantage.
- The average PAC fundraising by Incumbent winners was $405,889 to losers' $296,880, or a *1.4 to 1* advantage.
- The average personal money spent by winning Incumbents over losers was $37,187 to $13,300, or a *2.8 to 1* advantage.

Fundraising Ratios – Senate

Chart L is a consolidated summary by source of all the money raised by Senate candidates for the period 1992-2000. *See* Appendix Chart L. It is also the chart used to calculate the fundraising ratios between Incumbents and Challengers shown. These ratios highlight the financial advantage wealthy Senate candidates enjoy.

Senate Incumbents Re-elected

- The total average dollars raised by the 114 Incumbents was $3,645,716 to Challengers' $1,954,314, or *1.9 to 1* advantage.
- The average Individual money raised by Incumbents is $2,372,222 to Challengers' $1,246,913, or a *1.9 to 1* advantage.

- The average PAC fundraising by Incumbents is $1,033,111 to Challengers' $177,723, or a *5.8 to 1* advantage.
- The average personal money spent by losing Challengers over Incumbents was $529,678 to $240,383, or a *2.2 to 1* advantage.

Senate Incumbents Defeated

- The total average dollars raised by the 16 Senate Challengers defeating Incumbents was $7,648,320 to Incumbents' $6,603,849, or a *1.2 to 1* advantage.
- The average Individual money raised by Incumbents is $4,802,136 to Challengers $3,840,384 or a *1.3 to 1* advantage.
- The average PAC fundraising by Incumbents is $1,653,568 to Challengers' $665,568, or a *2.5 to 1* advantage.
- The average personal money spent by Challengers over Incumbents was $3,142,368 to $148,145, or a *21.2 to 1* advantage.

Senate Open Seats

- The total average dollars raised by winners was $5,907,596 to the losers' $3,610,001, or a *1.6 to 1* advantage.
- The average Individual money raised by winners was $3,056,486 to the losers' $2,615,166, or a *1.2 to 1* advantage.
- The average PAC fundraising by winners was $921,385 to the losers' $534,394, or a *1.7 to 1* advantage.

- The average personal money spent by winners over losers was $1,929,725 to $460,441, or a *4.2 to 1* advantage.

National Party Committees

Chart M shows the total "Hard" and "Soft" money raised by the three Republican and three Democrat national party committees combined for the 2001-02 Election Cycle. *See* Appendix Chart M. "Soft money" represented approximately 43% of the net money raised by Republicans and 57% of the net money raised by Democrats. The passage of the Bipartisan Campaign Reform Act has stripped away all this "soft" money (roughly $250 million) from each political party.

The Fundraising Matrix (*see* Appendix Chart N) shows within various giving ranges the approximate number of new donors each party would have to find in order to make up for the loss in "soft" dollars mandated by law. When these numbers are compared to the figures shown in Chart A: Donor Matrix, it becomes crystal clear that it is a practical impossibility for either party to recruit enough new donors to make up for the loss of "soft" dollars. Both political parties would literally have to double their existing donor bases. Absent the occurrence of some cataclysmic event, doubling the size of either party's donor base is simply impossible.

In fact, the heightened level of fundraising competition that is certain to occur within each party as a result of the loss of "soft dollar" revenue is more likely to shrink rather than expand either party's existing donor base. Why? Because the increased intensity in inter-party competition for dollars within both political parties is more likely to turn-off proven donors faster than new donors can be recruited. In other words, over the long run, in an attempt to recover the lost "soft dollar" revenue, it is almost certain that the internal fight for dollars will result in "smothering by over solicitation" a large number of the "geese" that have traditionally supplied the "golden eggs," supporting the activities of both parties.

As already noted, the fundraising market for both political parties is simply too small and the new restrictions too severe for all the candidates and party committees to prosper under the new law. Over time, both parties are likely to shrink in size and influence – and shrink significantly. Many reformists have worried that some loophole might be discovered that would undermine their handiwork. To the contrary, the wolves of "reform" did their work well. There are no escape hatches or loopholes. And contrary to popular belief, this is not good news for America.

Part 3

The charts in this section graphically demonstrate that the restrictions imposed by Congress have been counterproductive, empowering the rich and reducing the competitiveness of the political arena. These unintended consequences of *Buckley v. Valeo* are thus contrary to the spirit of the Preamble of the Constitution which begins with the words, "We the people," meaning, "we the sovereigns" not "we the subjects." To the Framers, sovereignty meant the right of citizens to govern themselves free from the interference of some oppressive central authority. As stated by James Monroe, "*The introduction, like a preamble to a law, is the Key of the Constitution. Whenever* *federal power is exercised, contrary of the spirit breathed by this introduction, it will be unconstitutionally exercised, and ought to be resisted by the people.*" If in politics money is speech, then the question looms large: How can government, in a free society, abridge its collection and disbursement without, at the same time, destroying the rights of citizens to govern themselves?

House Re-election Results

Chart O shows the election rates for House Incumbents and Challengers for the whole country, the old confederacy (eleven southern states), and the balance of the country without the south. *See* Appendix Chart O. Given that the old confederacy emerged from the civil war as a rock-solid single party geographic area, and that this single party affiliation did not seriously begin to change until the latter part of the twentieth century, Charts O(1), P(1) and Q(1) exclude the old confederacy. *See* Appendix Chart O(1); Appendix Chart P; Appendix Chart P(1); Appendix Chart Q; and Appendix Chart Q(1).

It is important to note that the Court's *Buckley v. Valeo* decision also had a repressive impact on elections in the south, but given the long time domination of a single party in this area, the impact is not as seemingly dramatic. As a consequence, the results for the south are shown separately. This separation makes it easier to clearly reveal the devastating impact of the Supreme Court's *Buckley v. Valeo* decision on the rest of the country.

The impact of the High Court decision on House races, for the period 1976–2000, is to push the *re-election rate* for House Incumbents to 95.4% and slash the chances of a Challenger candidate defeating an Incumbent by 60.7%

(*see* Appendix Chart O(1)).Over this same time period, the *margin of victory* for House Incumbents also substantially changed as follows: the number of extremely competitive House races dropped by 42.9%; the number of competitive races dropped by 47.1%; the number of semi-competitive races dropped by 39.8%; the not competitive races dropped by 39.3% and the no-contest races (those with a winning margin of 15% or more) shot-up by a remarkable 25.4%.

***Buckley v. Valeo*'s Impact on Senate Re-election Results**

The impact of the Supreme Court's *Buckley v. Valeo* decision on Senate elections is very much the same as on House elections. *See* Appendix Chart S; Appendix Chart S(1); Appendix Chart T; and Appendix Chart T(1). The Senate Incumbent *re-election* percentage increased by 13.3%, while the percentage of Challengers winning dropped by 37.4%.

Like House Incumbents, Senate Incumbent's *margin of victory* in the no-contest category (those won by a margin of 15% or more) shot-up by 32%. During the same time period, extremely competitive Senate races dropped by 18.8%; the number of competitive Senate races dropped by 20.5%; the number of semi-competitive Senate races dropped by 32.5%; the number of non-competitive Senate races dropped by 12.7%.

Clearly, the Supreme Court's *Buckley v. Valeo* decision has had a devastating impact on both Senate and House elections and the Bipartisan Campaign Reform Act will only make things worse. This prediction is supported by a June 27, 2003 news release put out by The Center for

Responsive Politics which found that 94% of winning congressional candidates out-spent their losing opponents. Only four House challengers defeated incumbents in 2002.

Election Comparison – President, Senate, House

Charts U(1) and U(2) provide detailed analysis of the Non-Competitive and Competitive Categories shown in Chart U. *See* Appendix Chart U; Appendix Chart U(1); Appendix Chart U(2). Charts U(1) and U(2) emphasize the striking difference in the competitiveness of Presidential races and Senate and House races. In the Non-Competitive Category (races won by a margin of 10% or more) 36.9% of Senate races are won by a wider margin than the Presidential contest. In the House, the margin is an incredible 70.4% greater.

In the Competitive Category (races where the victory margin is between 0-4.9%) there are 19.8% fewer competitive Senate races than Presidential races and 60.3% fewer competitive House races.

What is a Reasonable Amount of Campaign Funding?

In July of 1758 running as a challenger candidate, George Washington spent about $195 to win election to the Virginia House of Burgesses. The voting results were as illustrated in Chart V. *See* Appendix Chart V.

In his first successful election to office, George Washington spent roughly $0.25 per vote cast. This $0.25 adjusted for inflation in 2000 dollars (for an exact calculation *see* S. Morgan Friedman www.westegg.com) is worth approximately $2.40. Using George Washington's actions as the frame of reference, the following is an analysis of all the actual federal elections spending in the 1999-2000 election cycle compared to what would have been spent if General Washington's spending standard adjusted for inflation had been followed. *See* Appendix Chart W.

Adjusting George Washington's spending for inflation and using this adjusted figure as the standard of measurement, the total spent by all candidates and party committees at the federal level during the 1999-2000 election cycle is only 65% of what the Father of our country would have spent, and back in 1758, Washington did not have to pay for the high cost of mass media.

CONCLUSION

Political party organizations are a natural offshoot of democracy – an essential concomitant. They were devised not only to promote certain ideas and interests, but also to curtail the influence of unbridled wealth functioning autonomously. A political party is no more than a group of like-minded people who combine their resources to elect people to public office. When allowed to operate without restriction, they can match or even exceed the investment of a single rich person or small group of wealthy individuals, who otherwise might be able to buy an election – for themselves or for candidates who support their interests.

In the kind of democracy defined at the Philadelphia convention, the rich were not supposed to dominate government in the way the aristocracy had dominated it in colonial times. Even the English House of Commons was filled with wealthy country squires who promoted their own interests until a two-party system began to provide the means for less wealthy commoners to enter the political arena in support of other agendas.

We owe much to our two-party political process. It has protected America from the curse of multi-party, coalition government and from plutocracy. Our competitive two-party political process is *one of the fundamental strengths of American democracy*. This Court should recognize that the restriction of the Bipartisan Campaign Reform Act and the Federal Election Campaign Act will bring our political parties to the brink of ruin through limiting their First Amendment association rights.

Respectfully submitted,

CLARK BENSEN
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Lake Ridge, Virginia 22192
(703) 690-4066
(*Counsel of Record*)

APPENDIX*

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* *Data used to create Appendix Charts*: Since 1920, the Clerk of the House of Representatives has collected and published the official vote counts for federal elections from the official sources among the various states and territories.

Since 1976, the Federal Election Commission ("FEC") has received financial reports containing all receipts and disbursements as required by the Federal Election Campaign Act. The FEC information collected since 1992 is in an electronic format that is downloadable from the Internet.

Utilizing the public information available from the Clerk of the House since 1920 and the FEC since 1992, two electronically formatted and uniquely categorized databases were created – one for General Election Voting Data and one for Campaign Financial Information. All charts and graphs in this Brief are the products of these compiled, electronically formatted and uniquely categorized databases. Copyright registrations for both databases have been submitted to the U.S. Patent & Trademark Office and are currently pending.

Chart A: Donor Matrix

Total Number of Political Donors Nationwide
1999 - 2000 Election Cycle

Category	Giving Range	Total Number of Donors	Average Per Congressional District		
			435 Districts	600,000 Population	350,000 Households
A	$1,000 +	339,526	780	0.1%	0.2%
B	$200 - $999	439,214	1,010	0.2%	0.3%
Subtotal	$200 +	778,740	1,790	0.3%	0.5%
C	Under $200	2.7 Million	6,200	1%	2%
TOTAL	All	3.5 Million[1&2]	8,000	1.3%	2.5%

Source: Federal Election Commission
Based on dividing estimated average contribution into gross receipts

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[1] In a 2000 post-election survey conducted by McLaughlin and Associates, the base Republican vote for the 2000 Presidential Election was 38%, or roughly 40 million. The base Democrat vote for the 2000 Presidential Election was 41%, or roughly 43 million. This survey also identified known Republican donors to be approximately 5% of the Republican base (or about 2 million) and the known Democratic donors to be approximately 3% of the Democrat base (or about 1.5 million for a combined Republican/Democrat Donor base of approximately 3.5 million.)

[2] This number excludes people participating in the voluntary presidential check-off box on individual tax returns administered by the Internal Revenue Service.

Chart B: Volume Chart
Fundraising Cost versus Average Contribution
Inverse Functional Relationship

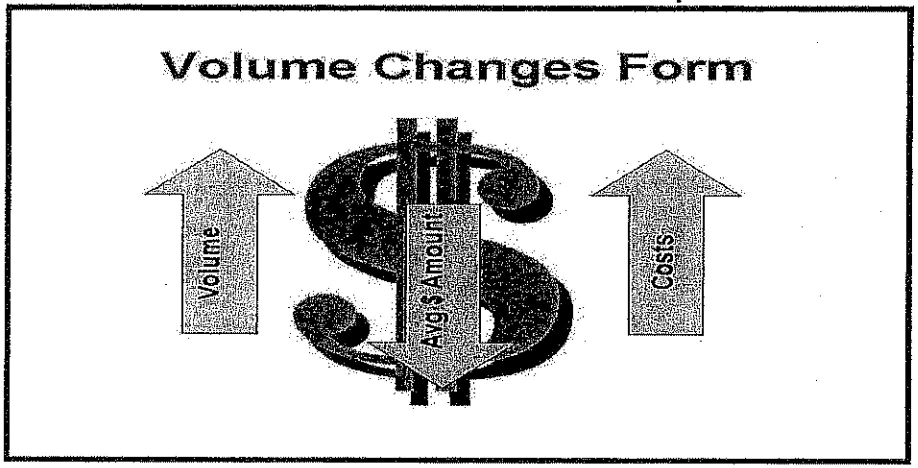


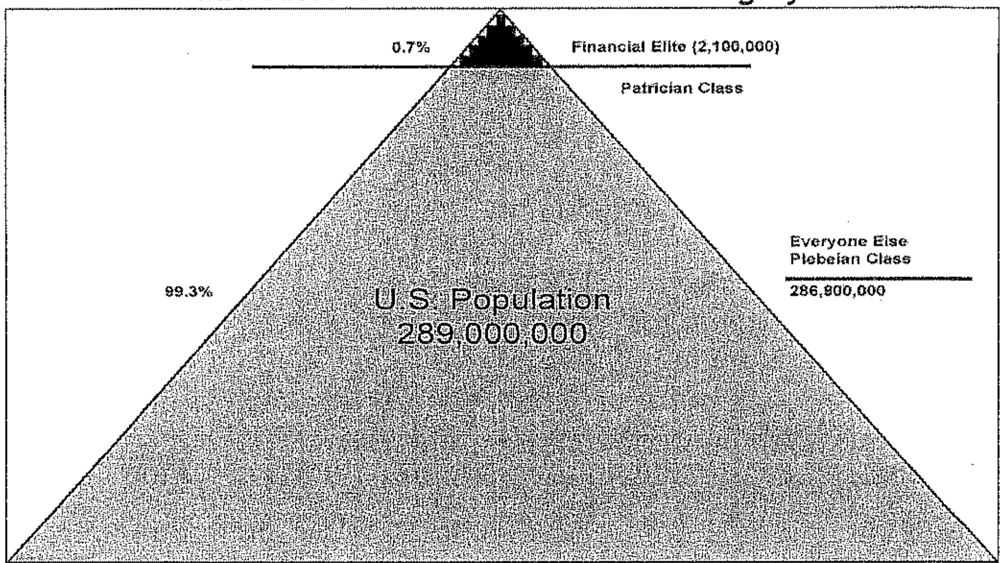
Chart C: Raising $1 Million
Assumed Cost Per Gift = $5
Alternative Examples

Example	Number of Donors	Average Gift	Total Amount Raised	Cost Per Gift	Total Cost	Cost %
1	1	$1 Million	$1,000,000	$5	$5	.0005%
2	1,000	$1,000	$1,000,000	$5	$5,000	.5%
3	10,000	$100	$1,000,000	$5	$50,000	5%
4	100,000	$10	$1,000,000	$5	$500,000	50%

Chart D: Raising $1 Million
Assumed Cost Per Gift = $5 and Assumed Acquisition Cost Per Donor = $10
Alternative Examples

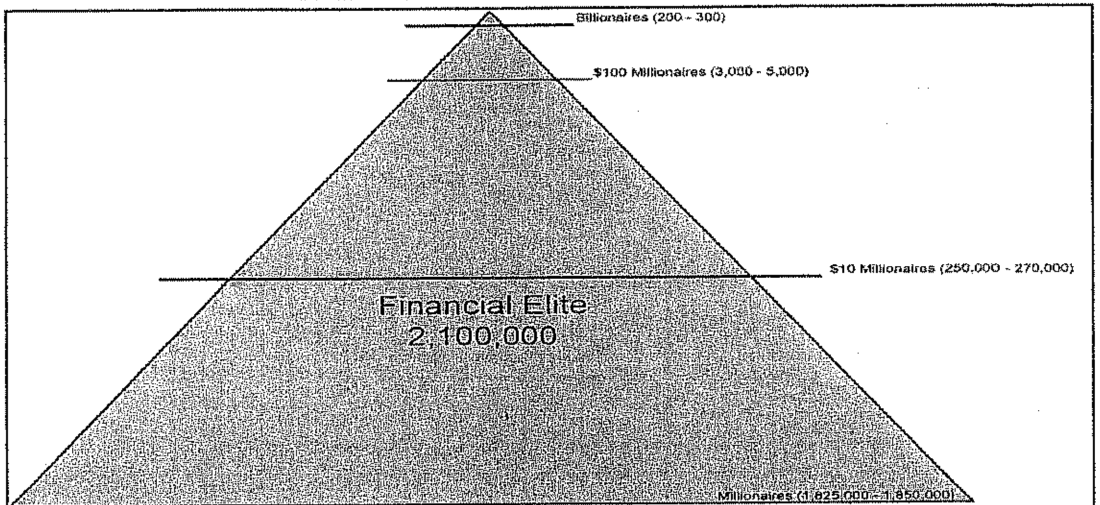
Example	Number of Donors	Average Gift	Total Amount Raised	Cost Per Gift	Total Gift Cost	Acquisition Cost Per Donor	Total Donor Acquisition Cost	Combined Total Cost	Cost %
1	1	$1 Million	$1 Million	$5	$5	$10	$10	$15	.0015%
2	1,000	$1,000	$1 Million	$5	$5,000	$10	$10,000	$15,000	1.5%
3	10,000	$100	$1 Million	$5	$50,000	$10	$100,000	$150,000	15%
4	100,000	$10	$1 Million	$5	$500,000	$10	$1,000,000	$1,500,000	150%

Chart E
Supreme Court's
Mandated Version of Citizen Sovereignty



Source: Federal Election Commission (2002) and Merrill Lynch News Release (June 17, 2002)

Chart F: America's Financial Elite



Source: *Wealth and Democracy*, Kevin Phillips and Merrill Lynch News Release (June 17, 2002)

Chart G

The Financial Elite in America

The Wealthiest Individuals in America and the Money they Control

	Est. Number	*Range of Wealth (per Individual)*			*Est. Average*	*Range of Wealth (for Group)*		
Billionaires	200 - 300	$ 1 billion	-	$ 50 billion	$ 3.25 billion	$ 650 billion	-	$ 975 billion
Centimillionaires	3,000 - 5,000	$ 100 million	-	$ 999 million	$ 250 million	$ 750 billion	-	$ 1.25 trillion
Decamillionaires	250,000 - 270,000	$ 10 million	-	$ 99 million	$ 20 million	$ 5 trillion	-	$ 5.4 trillion
Millionaires	1.8 - 2.0 million	$ 1 million	-	$ 9.9 million	$ 1.5 million	$ 2.7 trillion	-	$ 3 trillion
	2.0 - 2.28 million					$ 9.1 trillion	-	$ 10.6 trillion

⇩

$ 10 trillion

Potential Annual Minimal Political Involvement of U.S. Financial Elite:

Percent	*Amount*
¼ of 1%	$ 25 billion
½ of 1%	$ 50 billion
1%	$ 100 billion

Source: *Wealth and Democracy* , Kevin Phillips and Merrill Lynch News Release (June 17, 2002)

Chart H

U.S. Senate Races

Candidate Contributions

1992-2000

Incumbents Defeating Challengers

Competitiveness Category	Number of Races	Average Winner Contribution	Average Loser Contribution
5. No Contest (15%+)	77	$213,919	$158,549
4. Not Competitive (10% - 14.99%)	9	$19,500	$145,751
3. Semi-Competitive (5% - 9.99%)	17	$208,371	$1,018,442
2. Competitive (2.5% - 4.99%)	7	$128,571	$84,829
1. Extremely Competitive (0 - 2.49%)	4	$1,578,513	$7,146,217
Cumulative Average	**114**	**$240,383**	**$529,678**

Challengers Defeating Incumbents

Competitiveness Category	Number of Races	Average Winner Contribution	Average Loser Contribution
5. No Contest (15%+)	1	$77,695	-
4. Not Competitive (10% - 14.99%)	2	$3,132,500	$4,662
3. Semi-Competitive (5% - 9.99%)	3	$3,928,081	-
2. Competitive (2.5% - 4.99%)	5	$4,309,403	$471,800
1. Extremely Competitive (0 - 2.49%)	5	$2,120,787	$400
Cumulative Average	**16**	**$3,142,368**	**$148,145**

Data compiled from the Federal Election Commission and the Clerk of the House

Chart I

U.S. House Races

Candidate Contributions

1992-2000

Incumbents Defeating Challengers

Competitiveness Category	Number of Races	Average Winner Contribution	Average Loser Contribution
5. No Contest (15%+)	1,528	$9,211	$28,120
4. Not Competitive (10% - 14.99%)	128	$13,116	$98,134
3. Semi-Competitive (5% - 9.99%)	95	$24,766	$138,337
2. Competitive (2.5% - 4.99%)	34	$16,679	$53,915
1. Extremely Competitive (0 - 2.49%)	36	$14,627	$117,026
Cumulative Average	**1,821**	**$10,543**	**$42,377**

Challengers Defeating Incumbents

Competitiveness Category	Number of Races	Average Winner Contribution	Average Loser Contribution
5. No Contest (15%+)	5	$29,378	$24,880
4. Not Competitive (10% - 14.99%)	11	$58,865	$23,848
3. Semi-Competitive (5% - 9.99%)	30	$105,587	$20,180
2. Competitive (2.5% - 4.99%)	20	$99,040	$34,874
1. Extremely Competitive (0 - 2.49%)	20	$176,531	$27,150
Cumulative Average	**86**	**$110,156**	**$25,960**

Data compiled from the Federal Election Commission and the Clerk of the House

Chart J

Open Seat Races

Candidate Contributions

1992-2000

Senate Open Seats

Competitiveness Category	Number of Races	Average Winner Contribution	Average Loser Contribution
5. No Contest (15%+)	14	$250,124	$445,901
4. Not Competitive (10% - 14.99%)	11	$1,196,115	$79,848
3. Semi-Competitive (5% - 9.99%)	7	$12,001	$372,027
2. Competitive (2.5% - 4.99%)	6	$10,661,319	$395,097
1. Extremely Competitive (0 - 2.49%)	4	$84,380	$1,810,707
Cumulative Average	**42**	**$1,929,725**	**$460,441**

House Open Seats

Competitiveness Category	Number of Races	Average Winner Contribution	Average Loser Contribution
5. No Contest (15%+)	127	$123,610	$59,827
4. Not Competitive (10% - 14.99%)	36	$63,666	$165,171
3. Semi-Competitive (5% - 9.99%)	48	$164,775	$167,154
2. Competitive (2.5% - 4.99%)	33	$70,846	$252,303
1. Extremely Competitive (0 - 2.49%)	19	$123,374	$109,582
Cumulative Average	**263**	**$116,280**	**$122,053**

Data compiled from the Federal Election Commission and the Clerk of the House

Chart K (House Fundraising Ratios)

Chart K

U.S. House Candidates

Summary of Source of Income

1992 - 2000

	Number of Candidates	Candidate Contribution	PACs Party	Individuals	Total
1) Incumbernts Re-elected					
Incumbents - Totals	1821*	$19,199,503	$543,610,103	$630,025,068	$1,192,834,674
Average Per Incumbent	-	$10,543	$298,523	$345,978	$655,044
% By Category	-	2%	46%	52%	100%
Losing Challengers - Totals	1649*	$69,880,370	$60,197,655	$183,252,028	$313,330,053
Average Per Challenger		$42,377	$36,506	$111,129	$190,012
% By Category		22%	19%	59%	100%
2) Incumbents Defeated					
Defeated Incumbents - Total	86	$2,232,600	$38,120,153	$47,578,969	$87,931,722
Average Per Incumbent	-	$25,960	$443,258	$553,244	$1,022,462
% By Category	-	3%	43%	54%	100%
Winning Challengers - Totals	86	$9,473,431	$16,714,462	$45,996,770	$72,184,663
Average Per Challenger	-	$110,156	$194,354	$534,846	$839,356
% By Category	-	13%	23%	64%	100%
3) Open Seats					
Winners - Total	263*	$30,581,724	$59,545,823	$111,002,569	$201,130,116
Average Per Winner	-	$116,280	$226,410	$422,063	$764,753
% By Category	-	15%	30%	55%	100%
Losers - Total	261*	$31,855,946	$33,651,684	$65,562,032	$131,069,662
Average Per Loser	-	$122,053	$128,934	$251,196	$502,183
% By Category	-	24%	26%	50%	100%
4) Incumbents - Incumbents					
Incumbent winner-Totals	5	$185,934	$1,484,400	$2,292,360	$3,962,694
Average Per Winner	-	$37,187	$296,880	$458,472	$792,539
% By Category	-	5%	37%	58%	100%
Incumbent Loser- Totals	5	$66,500	$2,029,443	$1,875,734	$3,971,677
Average Per Loser	-	$13,300	$405,889	$375,147	$794,336
% By Category		2%	51%	47%	100%

Data compiled from the Federal Election Commission and the Clerk of the House

* ***Note:*** *There were 174 races (172 incumbent seats and 2 open seats) in which the winner had no financial opposition. All candidates who raise and spend $5,000 or more are required to file financial disclosure reports with the FEC*

Chart L (Senate)

Chart L

U.S. Senate Candidates

Summary of Source of Income

1992 - 2000

	Number of Candidates	Candidate Contribution Loans	PACs Party	Individuals	Total
1) Incumbernts Re-elected					
Incumbents - Totals	114*	$27,403,627	$117,774,602	$270,547,254	$415,725,483
Average Per Incumbent	-	$240,383	$1,033,111	$2,372,222	$3,646,715
% By Category	-	7%	28%	65%	100%
Losing Challengers - Totals	113*	$59,853,652	$20,082,703	$140,901,153	$220,837,508
Average Per Challenger		$529,678	$177,723	$1,246,913	$1,954,314
% By Category		27%	9%	64%	100%
2) Incumbents Defeated					
Defeated Incumbents - Total	16	$2,370,323	$26,457,080	$76,834,169	$105,661,572
Average Per Incumbent	-	$148,145	$1,653,568	$4,802,136	$6,603,849
% By Category	-	2%	25%	73%	100%
Winning Challengers - Totals	16	$50,277,886	$10,649,091	$61,446,146	$122,373,123
Average Per Challenger	-	$3,142,368	$665,568	$3,840,384	$7,648,320
% By Category	-	41%	9%	50%	100%
3) Open Seats					
Winners - Total	42	$81,048,447	$38,698,178	$128,372,414	$248,119,039
Average Per Winner	-	$1,929,725	$921,385	$3,056,486	$5,907,596
% By Category	-	33%	15%	52%	100%
Losers - Total	42	$19,338,536	$22,444,531	$109,836,960	$151,620,027
Average Per Loser	-	$460,441	$534,394	$2,615,166	$3,610,001
% By Category	-	13%	15%	72%	100%

Data compiled from the Federal Election Commission and the Clerk of the House

* **Note:** *(D) John Breaux (LA) ran unoppossed in his 1992 Senate Campaign.*

Chart M: National Party Committees

Republican National Committees
Total Gross[1] & Estimated[2] Net Receipts
2001 - 2002 Election Cycle

	HARD MONEY[3]			SOFT MONEY[4]			COMBINED TOTAL		
	Gross Hard Money Receipts	Estimated[2] Fundraising Cost – 25%	Estimated Hard Money Net	Gross Soft Money Receipts	Estimated[2] Fundraising Cost – 10%	Estimated Soft Money Net	Total Gross Receipts	Estimated[2] Fundraising Cost	Estimated Combined Net
3 Republican National Committees – Combined	$402,065,392	$100,000,000	$302,065,392	$250,032,620	$25,000,000	$225,032,620	$652,098,012	$125,000,000	$527,098,002
% of Combined Total	62%	—	57%	38%	—	43%	100%	—	100%

source: Federal Election Commission, October 24, 2002

Democrat National Committees
Total Gross[1] & Estimated[2] Net Receipts
2001 - 2002 Election Cycle

	HARD MONEY[3]			SOFT MONEY[4]			COMBINED TOTAL		
	Gross Hard Money Receipts	Estimated[2] Fundraising Cost – 25%	Estimated Hard Money Net	Gross Soft Money Receipts	Estimated[2] Fundraising Cost – 10%	Estimated Soft Money Net	Total Gross Receipts	Estimated[2] Fundraising Cost	Estimated Combined Net
3 Democrat National Committees – Combined	$220,244,544	$55,000,000	$165,244,544	$245,850,711	$24,000,000	$221,850,711	$466,095,255	$79,000,000	$387,095,255
% of Combined Total	47%	—	43%	53%	—	57%	100%	—	100%

source: Federal Election Commission, October 24, 2002

[1] Gross Receipts provided by the Federal Election Commission, October 24, 2002.
[2] Estimated fundraising costs are percentage estimates based upon the author's experience.
[3] Hard Money – Money given by political parties which *is* subject to the contribution limits of the Federal Elections Campaign Law.
[4] Soft Money – Money given by political parties which *is not* subject to the contribution limits of the Federal Elections Campaign Law.

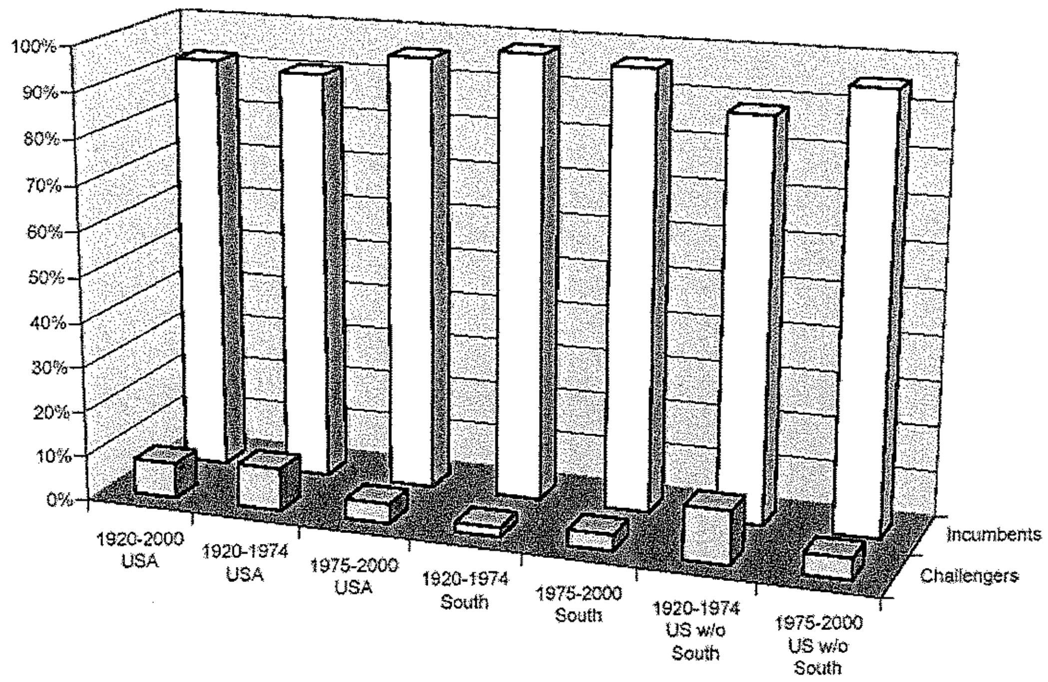
Chart N: Fundraising Matrix
New Additional Donor Base Needed

Contributions Needed to Raise $250 Million
Republican or Democrat National Party Committees

Example	Giving Range	Average Contribution	Number of Contributors	Gross Dollars
1	$10,000	$15,000	16,700	$250 Million
2	$1,000 – $9,999	$2,500	100,000	$250 Million
3	$200 – $999	$500	500,000	$250 Million
4	Under $200	$100	2.5 Million	$250 Million

Chart O: House Victory Percentages

House Elections - Incumbents v Challengers



	1920-2000 USA	1920-1974 USA	1975-2000 USA	1920-1974 South	1975-2000 South	1920-1974 US w/o South	1975-2000 US w/o South
Challengers	7.8%	9.4%	4.3%	2.0%	3.5%	11.7%	4.6%
Incumbents	92.2%	90.6%	95.7%	98.0%	96.5%	88.3%	95.4%

Data compiled from the Clerk of the House

(c) Rodney A. Smith, 2003

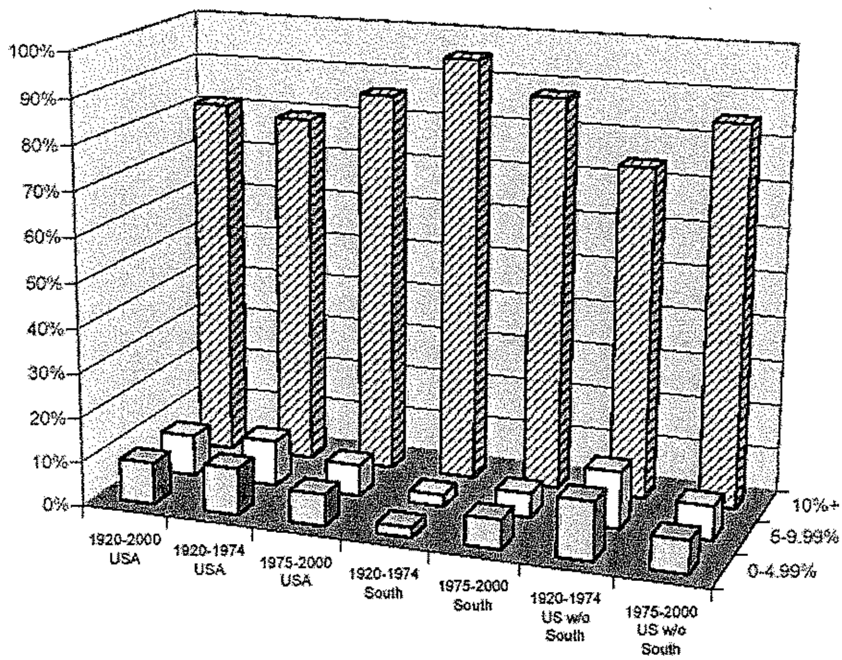
Chart O(1)
House Victory Percentages – US w/o South
Buckley v. Valeo's impact on House Re-election rates

	1920-1974	1975-2000	Change	% Increase or <Decrease>
Challengers	11.7%	4.6%	<7.1>	<60.7%>
Incumbents	88.3%	95.4%	7.1	8%

Data compiled from the Clerk of the House

Chart P

House Elections - Margin of Victory



	1920-2000 USA	1920-1974 USA	1975-2000 USA	1920-1974 South	1975-2000 South	1920-1974 US w/o South	1975-2000 US w/o South
0-4.99%	9.4%	10.5%	7.1%	2.3%	6.6%	13.1%	7.3%
5-9.99%	9.3%	10.3%	7.1%	2.6%	5.5%	12.8%	7.7%
10%+	81.3%	79.2%	85.8%	95.1%	87.9%	74.1%	85.0%

Data compiled from the Clerk of the House

Chart P(1)

House Margin of Victory – US w/o South

Buckley v. Valeo's Impact on House Re-election rates

	1920-1974	1975-2000	Change	% Increase or <Decrease>
0-4.99%	13.1%	7.3%	<5.8>	<44.3%>
5-9.99%	12.8%	7.7%	<5.1>	<39.8%>
10%+	74.1%	85%	10.9	14.7%

Data Compiled from the Clerk of the House

Chart Q

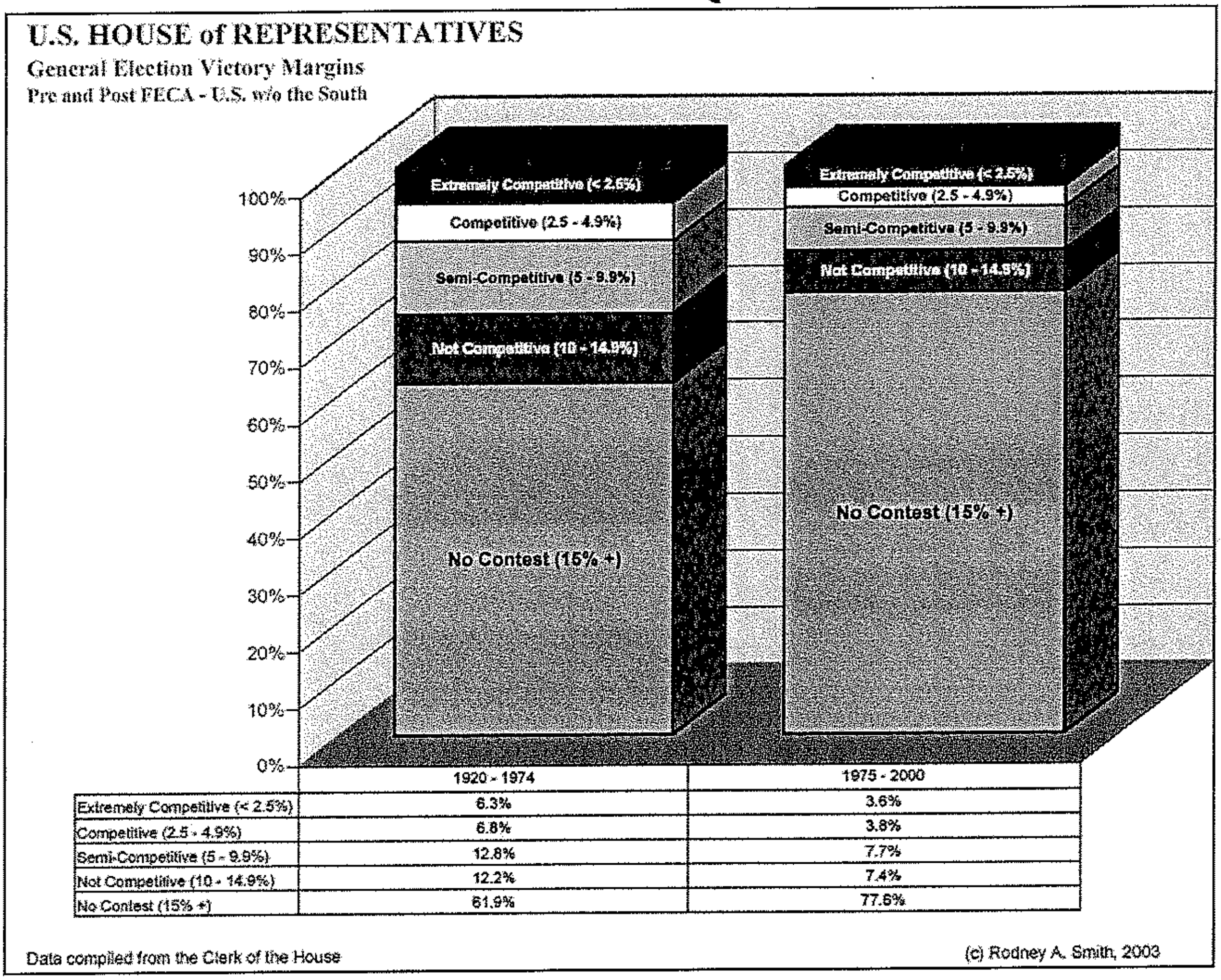
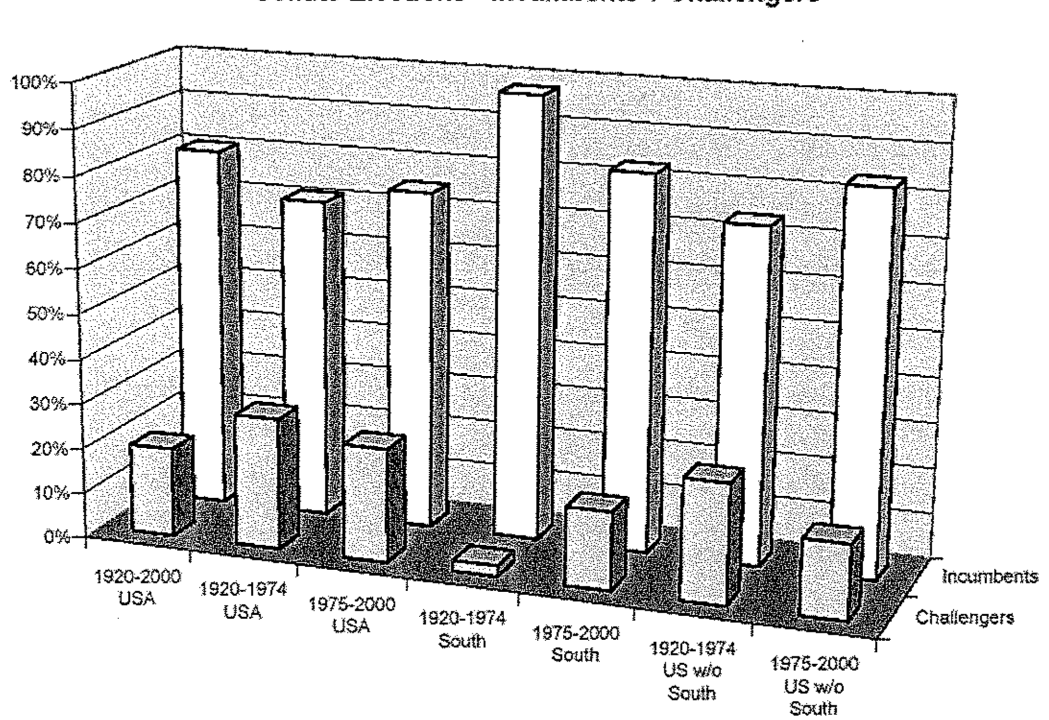


Chart Q(1)
House Change in Margin of Victory by Competitive Categories

	1920-1974	1975-2000	Change	% Increase or <Decrease>
Extremely Competitive (2.5%)	6.3%	3.6%	<2.7>	<42.9%>
Competitive (2.5% - 4.9%)	6.8%	3.6%	<3.2>	<47.1%>
Semi-Competitive (5% - 9.9%)	12.8%	7.7%	<5.1>	<39.8%>
Not Competitive (10% - 14.9%)	12.2%	7.4%	<4.8>	<39.3%>
No Contest (15%+)	61.9%	77.6%	15.7	25.4%

Data compiled from the Clerk of the House

Chart R: Senate Victory Percentages



	1920-2000 USA	1920-1974 USA	1975-2000 USA	1920-1974 South	1975-2000 South	1920-1974 US w/o South	1975-2000 US w/o South
Challengers	19.6%	29.0%	25.1%	2.3%	17.1%	26.2%	16.4%
Incumbents	80.4%	71.0%	74.9%	97.7%	82.9%	73.8%	83.6%

Data compiled from the Clerk of the House

(c) Rodney A. Smith, 2003

Chart R(1)

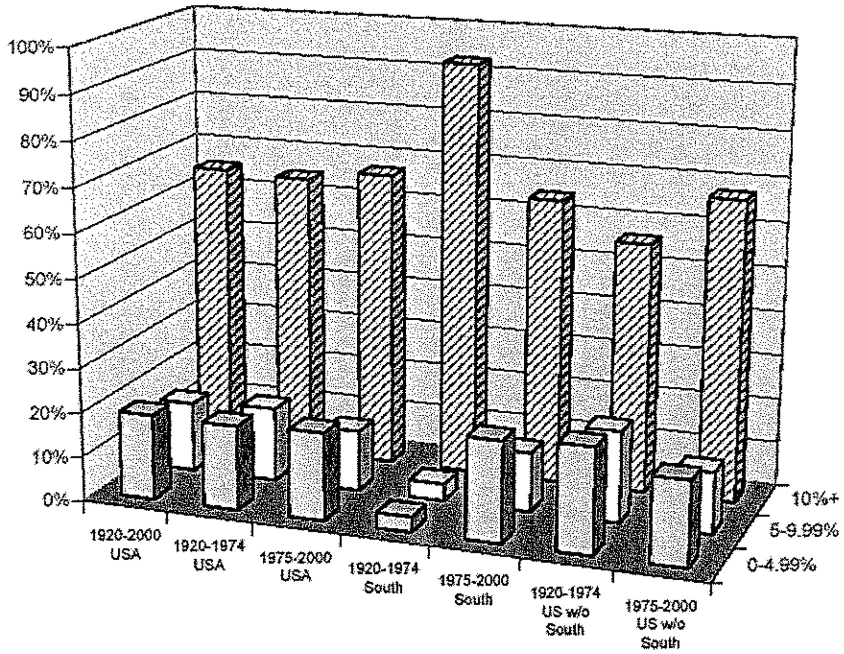
Senate Victory Percentages -- US w/o South
Buckley v. Valeo's Impact on Senate Re-election rates

	1920-1974	1975-2000	Change	% Increase or <Decrease>
Challengers	26.2%	16.4%	<9.8>	<37.4%>
Incumbents	73.8%	83.6%	9.8	13.3%

Data compiled from the Clerk of the House

Chart S

Senate Elections - Margin of Victory



	1920-2000 USA	1920-1974 USA	1975-2000 USA	1920-1974 South	1975-2000 South	1920-1974 US w/o South	1975-2000 US w/o South
0-4.99%	19.1%	18.9%	19.6%	3.4%	22.4%	23.5%	18.8%
5-9.99%	15.7%	16.6%	13.6%	3.8%	13.3%	20.3%	13.7%
10%+	65.2%	64.5%	66.8%	92.8%	64.3%	56.2%	67.5%

Data compiled from the Clerk of the House

Chart S(1)

Senate Margin of Victory – US w/o South

<u>Buckley v. Valeo</u>'s Impact on Senate Re-election rates

	1920-1974	1975-2000	CHANGE	% Increase or <Decrease>
0-4.99%	23.5%	18.8%	<4.7>	<20%>
5-9.99%	20.3%	13.7%	<6.6>	<32.5%>
10%+	56.2%	67.5%	11.3	20.1%

Data Compiled from the Clerk of the House

Chart T

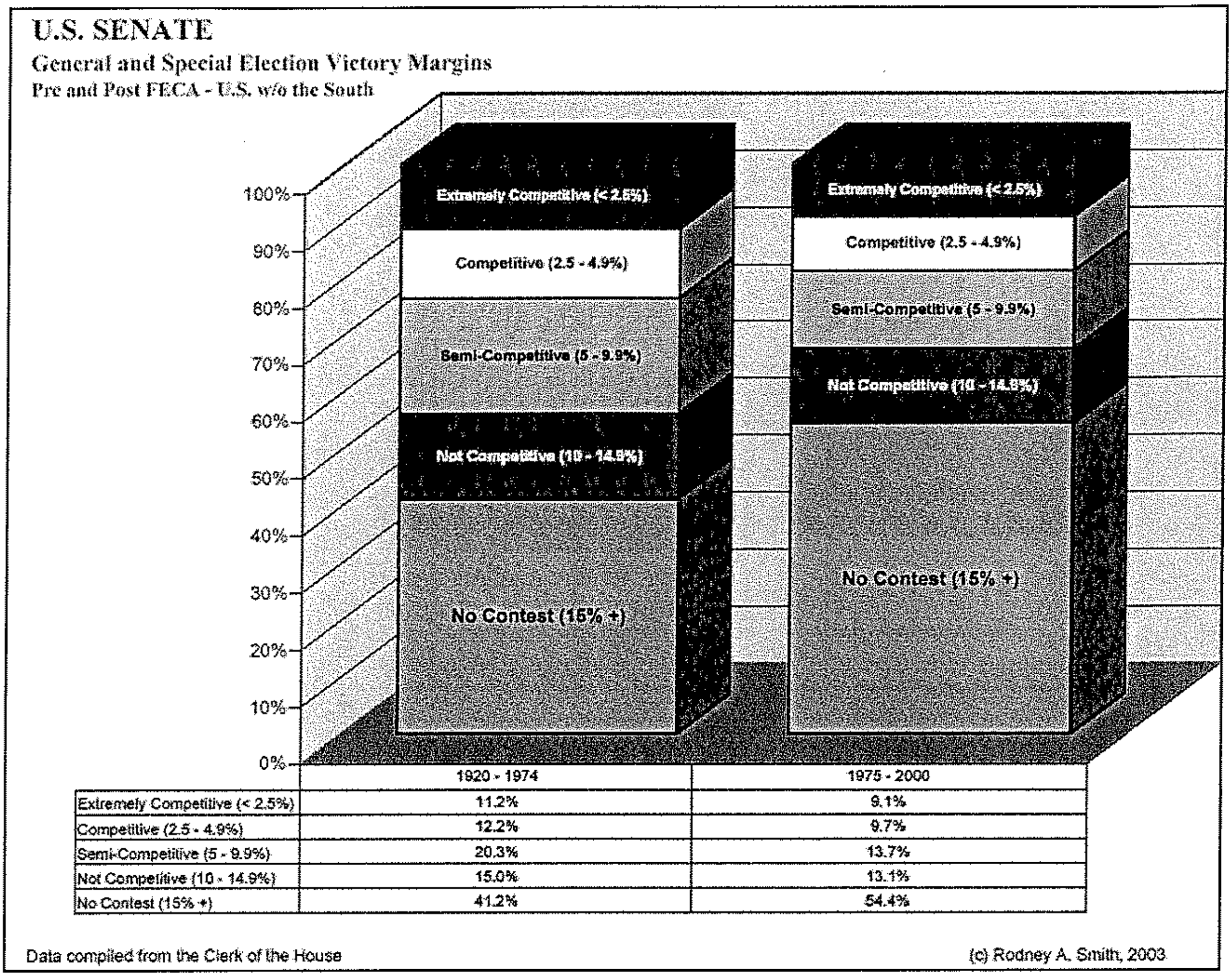


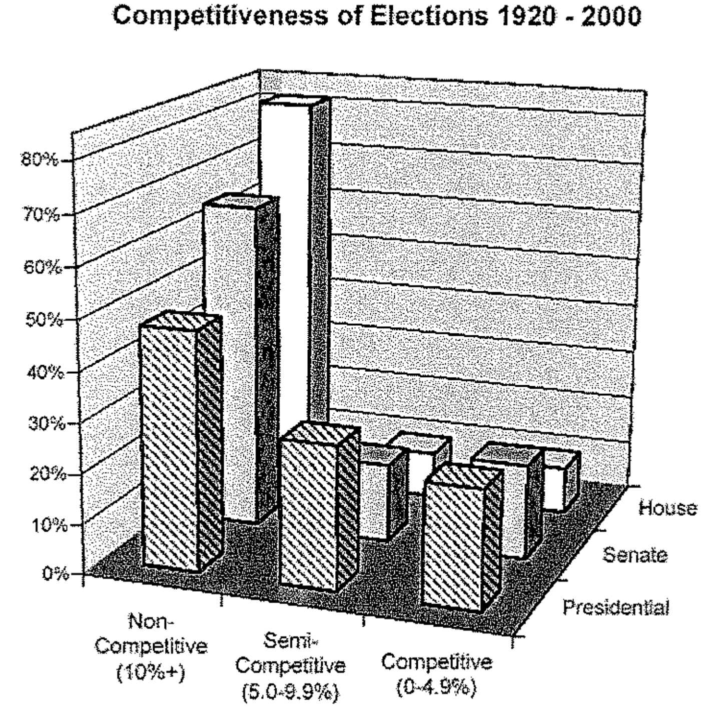
Chart T(1)
Senate Change in Margin of Victory by Competitive Categories

	1920-1974	1975-2000	Change	% Increase or <Decrease>
Extremely Competitive (2.5%)	11.2%	9.1%	<2.1>	<18.8%>
Competitive (2.5% - 4.9%)	12.2%	9.7%	<2.5>	<20.5%>
Semi-Competitive (5% - 9.9%)	20.3%	13.7%	<6.6>	<32.5%>
Not Competitive (10% - 14.9%)	15.0%	13.1%	<1.9>	<12.7%>
No Contest (15%+)	41.2%	54.4%	13.2	32.0%

Data compiled from the Clerk of the House

Election Comparison - President, Senate, House

Chart U
Comparison: President, Senate & House Races



	Non-Competitive (10%+)	Semi-Competitive (5.0-9.9%)	Competitive (0-4.9%)
Presidential	47.7%	28.6%	23.7%
Senate	65.3%	15.7%	19.0%
House	81.3%	9.3%	9.4%

Data Compiled from Clerk of the House

Chart U(1)
Comparison: President, Senate & House Races
Non-Competitive Category (10%+) Only

	NON-COMPETITIVE (10%+)		Difference	% Change Increase <Decrease>
	Congressional	Presidential		
Senate	65.3%	47.7%	17.6	36.9%
House	81.3%	47.7%	33.6	70.4%

Data Compiled from Clerk of the House

Chart U(2)
Comparison: President, Senate & House Races
Competitive Category (0-4.9%) Only

	COMPETITIVE (0-4.9%)		Difference	% Change Increase <Decrease>
	Congressional	Presidential		
Senate	19.0%	23.7%	<4.7>	<19.8%>
House	9.4%	23.7%	<14.3>	<60.3%>

Data Compiled from Clerk of the House

Chart V
Election to the Virginia House of Burgesses
July 1758

Candidate	Votes Received	%
Colonel George Washington	310	39%
Colonel Thomas Bryan Martin	240	30%
Hugh West	199	25%
Thomas Swearingen	45	6%
TOTAL VOTE	794	100%

Source: Barton, R.T. "The First Election of Washington to the House of Burgesses" (http://www.ls.net/~newriver/va/1electgw.htm)

Chart W
Comparative Analysis Adjusted for Inflation
G. Washington's Spending 1758 to Actual Spending 2000

Category	Number of Votes	$ Spent Per Vote	Candidate Factor*	Projected Spending Using G.Washington's Standard	Actual General Election Spending	%
Presidential	105,405,100	$2.40	2	$505,945,000	$135,000,000	27%
Congressional	97,228,616	$2.40	2	$466,695,000	$368,600,000	79%
Senate	79,315,481	$2.40	2	$380,715,000	$244,800,000	64%
Subtotal	281,949,197	–	–	$1,353,355,000	$733,400,000	55%
Party	281,949,197	$2.40	2	$1,353,355,000	$1,018,193,000	75%
Total	–	–	–	$2,706,710,000	$1,751,593,000	65%

Data compiled from the Federal Election Commission

*Assume one candidate per major party