

Worse than Watergate. Supreme Court Campaign Finance Case Could Unleash Unprecedented Political Corruption

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[The U.S. Supreme Court is mulling](#) a case that could end up giving America's wealthy a perpetual green light to contribute as much as they want directly to politicians and political parties.

Credit Shaun McCutcheon, an Alabama businessman who owns an electrical engineering company, for getting this ball rolling. In the 2012 election cycle, McCutcheon contributed heavily to conservative candidates and Republican Party committees. But the experience left the mega millionaire feeling terribly aggrieved.



Federal campaign finance reform legislation enacted four decades ago in the wake of the Watergate scandal limits how much individuals can give directly to candidates and political parties. In 2012, McCutcheon ran up against those limits, [then sitting at about](#) \$46,000 for candidates and \$70,000 for party committees.

McCutcheon had wanted to give candidates and party panels much more. Under the law, he couldn't then — and he can't now either. The current, inflation-adjusted [aggregate limit](#) for the 2014 congressional elections: \$123,000.

But wealthy individuals like McCutcheon, thanks to previous court decisions, *can* spend on their own, independently of candidate and party campaigns, as much as they want to

influence a federal election's impact.

In other words, a billionaire can't currently give a particular congressional candidate a \$1 million check. But the same billionaire can legally hand a TV station \$1 million to run 30-second ads that extol that candidate's virtues — or attack that candidate's opponent.

This sort of "independent expenditure" can make a major impact as campaigns play out. Independent expenditures can also complicate campaigns, especially when deep-pockets go "off-message" in the advertising they finance. In most situations, candidates and political parties would much rather have billionaires contribute directly to them and not go off and spend independently.

If the Supreme Court uses the *McCutcheon* case to erase our last remaining Watergate-era campaign funding limits, these political insiders will get their way. For the first time in years, they would be able to solicit unlimited contributions from America's wealthy.

That turn of events, public interest groups point out, would leave political candidates and party officials even more eager to grant wealthy donors [improper influence](#).

Fred Wertheimer, America's elder statesman of campaign finance reform, is imparting a particularly dire warning. Repealing limits on direct contributions to candidates and parties, he contends, would [take us right back](#) to the same political corruption that led to the Watergate scandals.

But Wertheimer may actually be understating the danger. Repealing limits on direct contributions to candidates and parties would likely create a political environment far more toxic than anything we experienced before Watergate.

Back before Watergate, in the mid 20th century, America's rich didn't have nearly as much wealth.

Some numbers: In 1972, the year of the Watergate burglary, the nation's top 0.1 percent averaged, in today's dollars, the equivalent of \$1.48 million in income. In 2012, America's top 0.1 percent averaged \$6.4 million. That's more than a four-fold increase.

But the gap between rich then and rich now becomes even greater when you take taxes into effect. In 1972, taxpayers averaging \$1.48 million in today's dollars [paid 40.7 percent](#) of their total incomes in federal income tax. In 2012, [note](#) Tax Policy Center estimates, taxpayers in the top 0.1 percent paid federal income taxes at about half that rate.

The bottom line: America's really rich in 2012 had over six times more after-tax dollars in their pockets, after inflation, than their counterparts in 1972.

We shouldn't fear a wave of Watergate corruption. If the Supreme Court ends all limits on the campaign cash the super rich can throw at their candidates, American politics faces dangers far more troubling than anything Richard Nixon ever imposed upon us.

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