



Abolishing Campaign Contribution Limits

by Richard W. Rahn

President Trump and Amazon’s Jeff Bezos dislike each other. The Washington Post, owned by Mr. Bezos, runs many stories each day attacking the president. Some are fair and about real issues. But many are petty or just plain wrong. Even The Post’s alleged “conservative” writers appear to have a weekly quota of “why Donald Trump is awful” stories.

Mr. Bezos paid a reported \$250 million to buy The Post. Being a newspaper, The Post can publish almost anything it wants to about a candidate or political party because it is protected by the First Amendment — which is as it ought to be.

One of the things that Michael Cohen, Mr. Trump’s personal lawyer, is coming under attack for is having paid Stormy Daniels a reported \$130,000 to withhold her story about an alleged affair with the president. Some are claiming he may have violated the campaign finance regulations as a result of the payment. The argument is that by making the payment and keeping Ms. Daniels quiet (which she has not been) more people may have voted for Mr. Trump and fewer for Hillary Clinton than if they had known about Ms. Daniels’ assertions.

Presumably, one of the reasons Mr. Bezos’ Post publishes so many negative stories about Mr. Trump and the Republicans is to

suppress the Republican vote and enhance the Democratic vote. Why should what Mr. Bezos does be legal, and Mr. Cohen’s far smaller action be illegal?

If Mr. Cohen had bought or founded a media property — no matter how small — and paid Ms. Daniels for her exclusive story and then decided not to publish it, his action also would have been entirely legal.

The federal campaign finance law restricts how much money a donor can give to a candidate for any one election per year to \$2,700, and to a total of “National Party Committee Accounts” of \$101,700 per account, per year. Violators may be subject to fines and jail times. Critics rightly complain that such regulations violate the Constitution by restricting one’s ability to support individuals and causes that they hold dear.

News commentators, celebrities (actors, athletes, comedians, etc.) who are able to freely command air or print time have an almost unlimited ability to support or trash political candidates — all in the name of trying to influence voters — without violating the campaign finance laws. A poor or even a rich person who is not already famous needs to spend money to make his or her views known on issues and support or opposition to a candidate. This expenditure of money to do the same thing that the already famous person does is what can lead to prison time, if not done precisely in accordance with the rules.

Last week, the late-night comedian John Oliver did a long monologue on how terrible the Trump corporate tax rate reduction was. For the most part, it was not funny — except for the part where he used an old clip of John Stossel interviewing me (which was funny), and which is, of course, why I picked this particular example. In his plea for a higher corporate tax, Mr. Oliver did manage to demonstrate his ignorance of economics, much to the applause of the equally ignorant audience.

His show is owned by a media corporation that is probably paying the corporate income tax. If they wish to employ talent who whacks their own stockholders, so be it. But why should the cost of Mr. Oliver telling Americans in essence to vote against named candidates who support

lower corporate tax rates be tax deductible — while an individual, paying to support the message that named candidates who support lower corporate tax rates that are good for American workers, not be allowed to deduct his or her cost and also be in danger of prosecution if he or she spends “too much” to convey the message?

Rachel Maddow of MSNBC and Sean Hannity of FoxNews spend an hour each night telling Americans who the good and bad politicians are and implying who Americans should vote for (Ms. Maddow and Mr. Hannity totally disagree with each other, and that is fine). The networks and their advertisers spend millions to produce and air these shows. If you don’t own a media company and spend a few thousand dollars renting billboards (above what the Federal Election Commission says is allowed), with the exact same message of Ms. Maddow or Mr. Hannity, the guys with the handcuffs will come for you.

Any determined person can legally get around the campaign finance restrictions with the aid of a smart lawyer. For example, one may spend unlimited amounts supporting an issue that is clearly identified with the preferred candidate — provided it is not said to explicitly vote for a particular candidate.

General Electric used to own NBC, which was a very different line of business from its much larger traditional industrial manufacturing activities. What is to stop any business (e.g. “Joe’s Hog Farm”) from setting up a little media unit which it can use for political advocacy while running old documentaries for cover? The Internet age allows almost anyone to set up their own Internet broadcast network, making the old campaign finance restrictions almost impossible to police. The correct solution is to get rid of the hypocrisy and let unlimited free speech for everyone to flourish.

Richard W. Rahn is chairman of Improbable Success Productions and on the board of the American Council for Capital Formation

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