

Campaign Finance Reform

Background:

How Corporate Interests Got a Foothold in Our American Democracy

A series of orchestrated events, beginning in 1971, and continuing to this day, commenced with a document called “the Powell memo” that set to elevate the corporation in American life and politics. The Powell Memo (1971, Lewis Powell) was written by then corporate attorney, Louis Powell (soon to be Supreme Court Justice appointed by Richard Nixon in 1972), at the behest of the American Chamber of Commerce. Its goal was to outline a strategy to elevate the voice of the corporation in American Politics. It was based on the concern that in the wake of the 60s and the civil rights era, common people were increasingly immoral, depraved and individualistic; and that the American Corporation did not have the moral authority and voice its proponents wanted it to have.

The Powell Memo outlined 3 basic tenets:

- 1) It’s moral charter that corporations were moral structures for the common good; elevated people out of poverty; led to the rise of the middle class in the 50s; and should have a big voice in American society;
- 2) It’s strategic financial plan that corporations needed to organize and fundraise in order to achieve their agenda; and
- 3) It’s legal strategy to get judicial appointments made at all levels of the courts with corporate activists (Louis Powell’s appointment in 1972 to the supreme court was the first and certainly most influential placement of its kind – until the 2000s of course).

To further its strategic goals, the corporations formed ALEC, the American Legislative Exchange Council. ALEC is a conservative think tank that writes conservative corporate and special interest state level laws, favoring the power of the corporate interest, and shops it from state to state through conservative lawmakers. ALEC believes that corporations should lead in society and politics that free trade is the root of freedom, and that people are only as relevant as the corporations to which they belong. This is why we see conservative legislation moving from state to state, sometimes without the states name even being changed. ALEC has conservative lawmaker, corporations and lobbyists on its board. It raises money, contributes heavily to and has orchestrated the development of many conservative think tanks.

Very influential and rich conservatives, like the *Koch brothers and Robert Mercer* (the latter of whom funded Breitbart, Steve Bannon, and others), have founded their own think tanks, contribute heavily to them and have managed to influence political votes through candidate campaign funding. As ALEC and its partners continued with the plan outlined in the Powel Memo, other initiatives flourished. These included the series of legal precedents that led to Citizens United, corporations are people, people have the right to free speech, and speech should be unlimited; hence, corporations can give unlimited amounts of money to accomplish the indirectly affiliated work of political organizations.

FEC vs Speechnow, the progeny of Citizens United (2010), determined that so long as a political organization did not coordinate its activities with a political candidate’s campaign directly, then there would be no limit on corporate contributions – this gave unintentional rise to the Super PAC. PACs, a long established political fundraising entity, have a limit of \$5K per contribution; contributions can go directly to support candidates. Super PACs, on the other hand,

because of the ludicrous assumption that they will not coordinate with a candidate campaign, have NO LIMIT on contributions. They were simply seen as having the power of free speech. This led to the rich being able to indirectly fund campaigns at the same time it contributed directly to candidates. DARK money became a part of this story after Speechnow when big money started to flow through the coffers of not for profit entities and other entities where donor disclosure may not be required. There are many graphics that show the explosion of think tanks and money in politics after Citizens United, largely through super PACs and non-profit organizations.

ALEC, through corporate and special interest monies, has had great tremendous success, and now has reach across our political landscape. ALEC had a 40th birthday not long ago. Through their think tank and agenda they have advanced gerrymandering, voter suppression, preemption, rolled back civil rights, etc. Having accomplished in large part its state and federal agenda, ALEC gave birth to ACCE just a couple years ago, in order to bring the same strategy to local elections. In just the last three years, since ACCE's birth, we are now seeing this same type of big money political influence head in to our local elections. In Austin, UBER tried to influence the outcome of city council votes; in Richmond (CA), Chevron tried; in Miami, ACCE contributed money indirectly to judicial seats; in Pinellas County, we saw Super PACs target progressives in the school board elections and in our own city council with racist, non-fact, fear-based ads.

In St Pete, we challenged BIG MONEY because the wolf is at St Pete's door.

