OUR VIEW

Cashing In

It's no big secret that money has hijacked politics. So much so that without substantial amounts of it, your chances of winning even the most obscure office (say, public administrator) are curtailed. And don't even think about running for president unless you've got access to a private mint. It's an abject shame that running for office has become a full-on, show-me-the-money sprint, rather than an exercise in representative democracy, that the amount of cash in your kitty, rather than your platform, determines your political viability. Take the case of gubernatorial front-runner Rep. Jim Gibbons, R-Nev. You may not know about the soft-spoken, nearly invisible-on-the-issues candidate's political philosophy, but you probably know that he's the frontrunner in the race because he's raised the most money (more than $3 million). That much money means he can—as he's shown—avoid debating his opponents and buy an ad here or purchase TV time there if his poll numbers begin to slip. While Gibbons shouldn't be penalized for his fundraising ability—donors aren't stupid, they grease the palms of the best candidates in hopes of getting future support—he shouldn't receive a free pass because he has the biggest piggy bank.

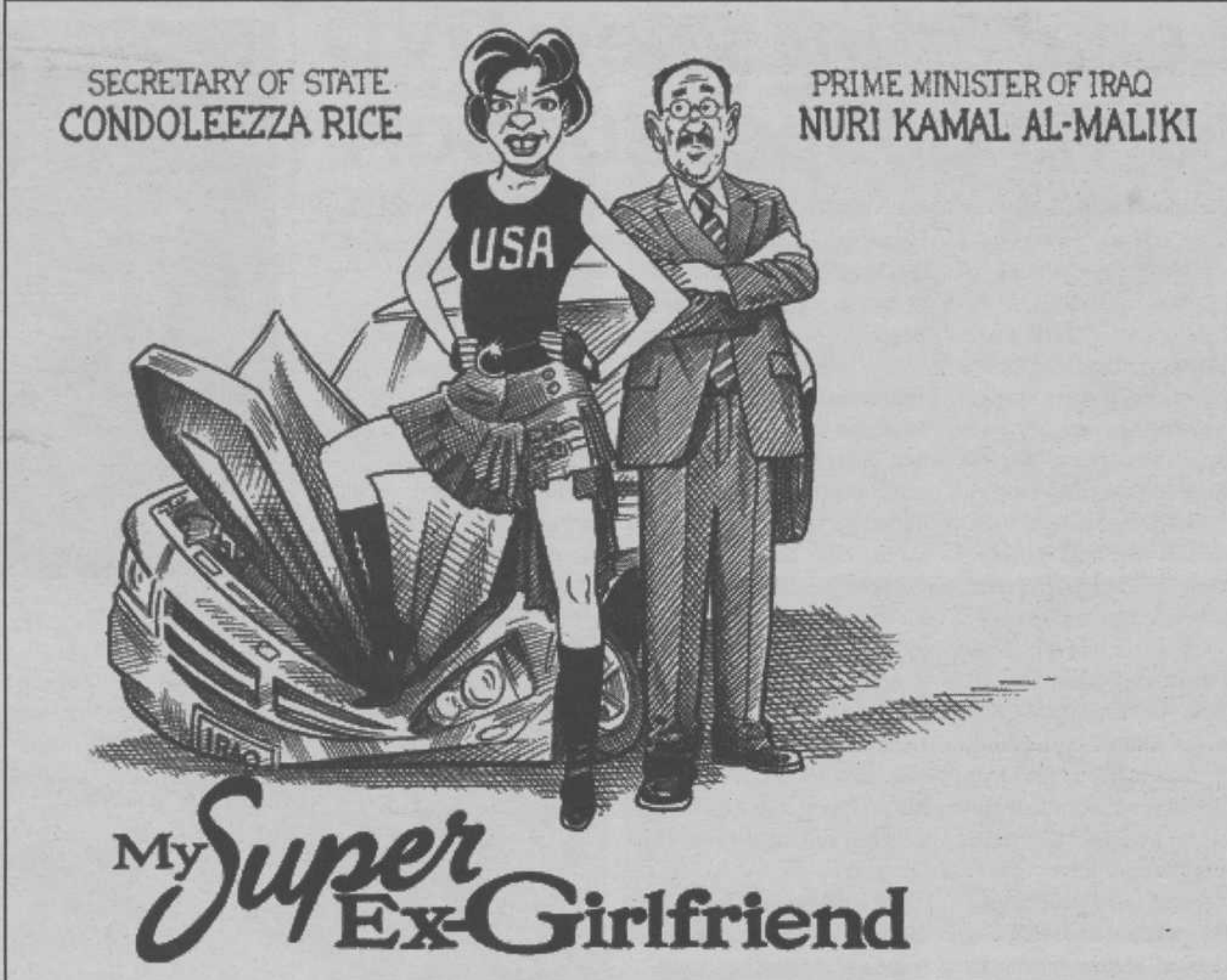
The problem is that there's no real, sustained and pure-hearted effort to engineer true campaign finance reform. The Bipartisan Campaign Reform Act of 2002 (also known as McCain-Feingold) is mildly effective at best and window dressing at worst. A Sept. 2, 2003, *Washington Post* editorial sums its good and bad points: "Before McCain-Feingold, they [national party committees] were pumping unlimited and unregulated 'soft money' into the political parties, which in turn were spending that money on advertising that nobody would confuse with anything other than electioneering. Yet, for technical legal reasons—because of the names of bank accounts, because the advertisements don't specifically urge the election or defeat of specified candidates, and because the money was supposedly for 'party building'—the law before the reform act of 2002 was powerless to stop it. The result was that nobody with a straight face could contend that U.S. elections were free of corporate and labor money; they were overflowing with it."

The reform act, for all the rhetoric of those who oppose it, represents nothing more than a modest effort to restore the badly eroded principle that candidates must raise and spend only contributions from individuals. It prevents parties from raising and spending soft money. And it requires that advertisements that promote or oppose identified candidates within the immediate time frame of a federal election do so with regulated, 'hard money' contributions."

So while the legislation banned the solicitation of soft money, it raised individual contribution limits to $2,000 (previously $1,000) and created a "Millionaires Amendment" raising the ceiling of contributions for self-financed candidates and allows Senate candidates whose opponents have spent 10 times a certain threshold ($350,000 in a House race) to receive unlimited support from their state and national parties. In other words—a wash.

As long as there have been attempts to rein in campaign finances, there have been attempts to circumvent the laws. Rules of the Federal Election Campaign Act of 1971 were skirted by raising soft money—loot not regulated by federal law. Then came 527s—political committees named for a section of the Internal Revenue Code—which can, according to the federal government, "engage in partisan activities if they declare themselves political committees and make certain disclosures relating to their financing and political spending." These 527s "have been able to absorb much of the unregulated campaign money which BCRA tried to remove from politics."

Unless there emerges a reformer and/or reformist movement to restore sanity to this insane political idiosyncrasy, don't expect the circumventing to stop anytime soon because it seems that there's an inverse relationship between money and morals—the higher the digits in a politician's bank account, the lower his or her standards.



Beware minimum wage hike

By Marc H. Morial
Special to Sentinel-Voice

Last month's news of the U.S. House of Representatives mulling a hike in the minimum wage before they left for August recess filled me with much hope.

Just two days earlier in my keynote address kicking off the National Urban League's 2006 annual conference, I had called upon Congress to raise the wage as a small but symbolic step to close the economic chasm that exists between Whites and minorities in this nation.

It was as if Congress was reading my mind until I read the fine print. It was not enough for U.S. House lawmakers — with fall midterm elections on the horizon — to approve a raise in the current minimum wage of $5.15 an hour — or $10,712 a year for full-time workers, which is slightly above the poverty line for singles but well below the roughly $20,000 threshold for a family of four.

They had to sweeten the deal by incorporating a hike to $7.25 an hour over three years into legislation significantly scaling back the estate tax — the so-called death tax — to 30 percent and shrinking the pool of estates subject to it. The resulting measure won approval by a vote of 230 to 180. It failed in the Senate.

MARC H. MORIAL

Under current law, estates are subject to an estate tax of 46 percent above $2 million for individuals and $4 million for couples. Under the House-passed bill, they would be subject to a 30-percent tax above $5 million for individuals and $10 million for couples.

According to the Center on Budget and Policy Priorities, the U.S. Congress has enacted legislation lowering the estate-tax burden in eight of nine past years since last raising the minimum wage nearly a decade ago. If this year's proposal is enacted, it will only benefit 8,200 very large estates, the center predicts.

Even the second wealthiest man in the world — Bill Gates — opposes the estate tax. Gates along with philanthropist George Soros and nearly 2,200 millionaires who are subject to the tax lent their signatures to a Call to Preserve the Estate Tax sponsored by Responsible Wealth, a project of the Boston-based nonprofit United for a Fair Economy. That group also found in a survey of 910 registered voters conducted earlier this year that 57 percent opposed a repeal of the estate tax.

Just what kind of toll a repeal of the estate tax will exact upon the federal deficit runs the gamut. The Joint Committee on Taxation projects that it will cost $38.3 billion per year over seven years, while the Center on Budget and Policy Priorities sets it at $100 billion a year over 10 years.

There's no doubt that a raise to $7.25 an hour will lift some of the working poor out of poverty. An employee currently earning minimum wage 40 hours a week will receive a nearly 50 percent annual raise to $15,080, which is nearly $5,500 above the poverty line for individuals and slightly above that for families of three.

According to the Bureau of Labor Statistics, nearly 1.9 million Americans earn minimum wage or below. The majority of them — 1.4 million — fall under minimum wage. Furthermore, another 4.1 million who are making above the current wage but below the proposed one stand to benefit, according to the Center on Budget and Policy Priorities.

Where the most progress has been made on the minimum wage is at the state level. Just recently, the state legislature in Massachusetts raised the wage to $8 an hour, the highest in the nation, in spite of a veto by Gov. Mitt Romney that was overridden.

And, according to a recent *New York Times* report, there are also more than a dozen states, including Michigan, Arkansas and Missouri, that have already raised their

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