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This Week

Former New York City Mayor Edward I. Koch (Bryan Cave LLP) offers a legal and political view of campaign finance reform.

Edward I. Koch: Spending \$76 million on a campaign doesn't violate any law...but it's crazy.

PLI: Local politicians, like New York Mayor Michael Bloomberg, have spent up to \$76 million on their campaigns. On the federal level, this year's presidential race may be the first \$1 billion campaign, despite the McCain-Feingold Act. Considering all of the money being raised by both campaigns, does McCain-Feingold really have any impact on campaign fundraising, and, in general, what do we do about the situation?

EDWARD I. KOCH: My recollection is that the most I spent [when I ran for Mayor] was \$2.2 million - [at least] that's my recollection of how much we spent in the race. And also we used to talk about the fact that when I ran the first time against Mario Cuomo I had less than he had, and I beat him. And then when we ran for Governor, I had more than he had and he beat me. So it isn't just money, but nevertheless spending \$76 million [as Mayor Bloomberg did] doesn't violate any law, it's not immoral - but it's crazy.

I think that what [Bloomberg] lacks that other candidates have is an organization and bodies and volunteers, and his money will be put to work to buy a professional organization called television that will get his ads out, as opposed to being handed out in the streets. [But] he will live or die, win or lose on the basis of his record.

The new law that came about as a result of the efforts of [Senators] McCain [and] Feingold, I think, has failed. But not in that regard but rather in regard to the hole that is left for the [Section] 527 [Organizations], and there are apparently no limits anymore, so there are people on both sides, but more on the Democratic side, I'm told, in terms of effectiveness, raising money for independent committees who are now spending soft money to do what we had hoped the McCain legislation would end. So that's what concerns me...McCain-Feingold - the concept of limitations - people are concerned about it but it doesn't affect the outcome [of an election] and they will vote on the basis of who they think is the best or better candidate.

[But] I think that what you ultimately need here is a constitutional amendment that will limit how much can be spent, to a greater degree even when you're in [public] campaign financing and certainly prevent you from going outside [public] campaign financing if that's constitutionally doable, and I suspect it is.

There's no question [that the 527s] undermine McCain-Feingold. And how effective it [is will] only be determined after the current election that takes place because it's a major vehicle for the

Democrats now, and that MoveOn organization is a liberal Democratic operation. [But] there's nothing wrong with raising money through the Internet; it probably increases the base, and that's good.

Ed Koch interview conducted by Brian Scott Mednick on May 6, 2004.

