



Killing Us Softly: Soft Money's Phenomenal Growth and Its Harm to the Public

January 26, 2001

Soft money – the unlimited contributions from wealthy special interests to political parties – has become the favorite tool of those seeking special favors from Congress. In 1990 there were virtually no soft money contributions. By the 1999-2000 election cycle, many powerful industries made more than half of their total campaign contributions in soft money, as they practically drove a Brinks' truck full of huge contributions through the soft money loophole in our campaign finance law. These special interests increasingly prefer to contribute unlimited soft money to Republican and Democratic party committees because the committees are controlled by Congressional leaders and the president. It's these leaders who help determine the final content of key bills and whether or not a bill is even considered for a vote.

Consider the following industries and special interests – *which gave \$77.5 million in soft money in 1999 and 2000* – the increasing percentage of their contributions in soft money, and the favors they've been winning from Congress and the Clinton administration.

Special Interest Soft Money Contributions as a Percentage of Total Contributions

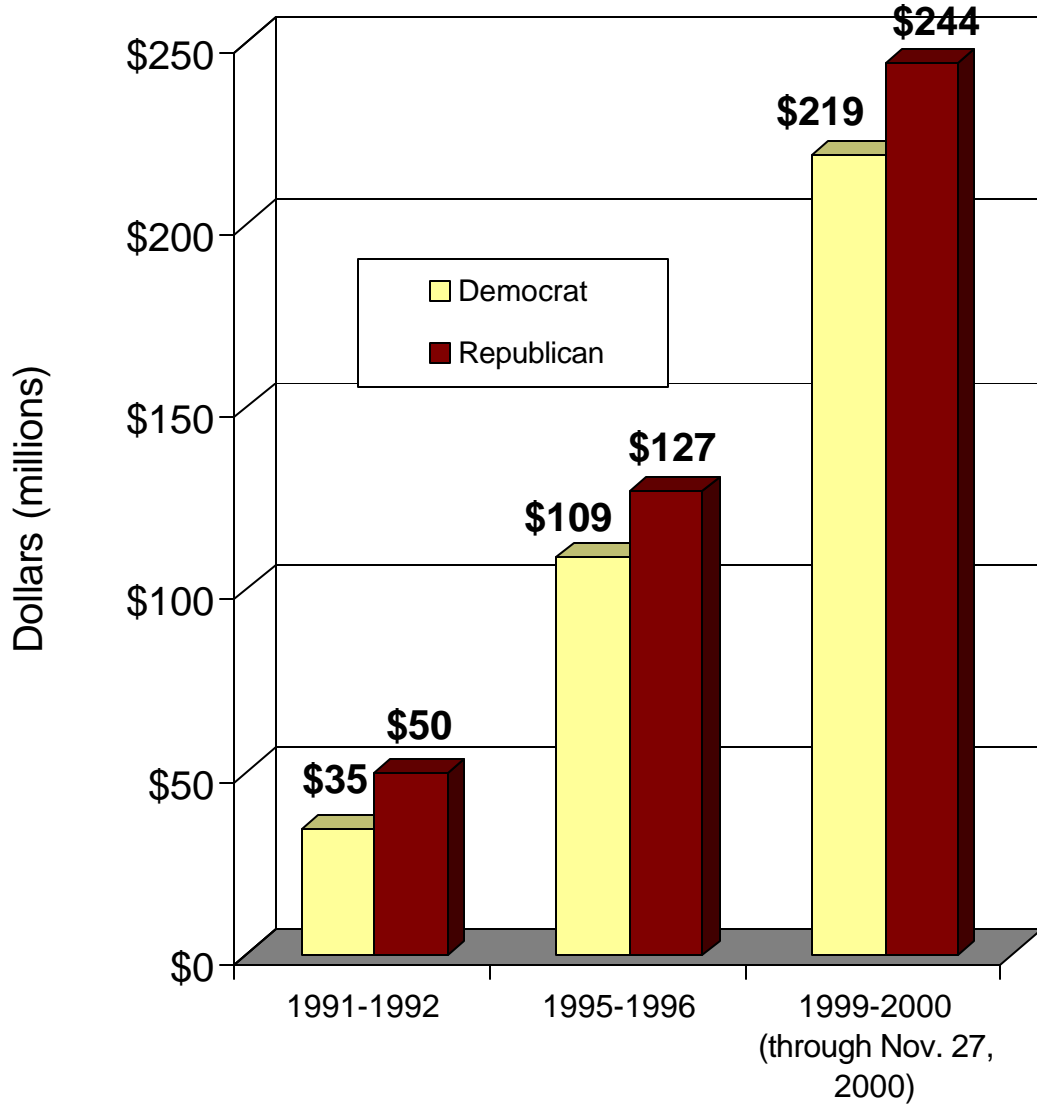
Industry/Special Interest	2000	1992
Gambling	68%	33%
Airlines	63%	14%
Tobacco	62%	49%
Pharmaceutical Manufacturers	61%	26%
Telephone Utilities	56%	20%
Computers/Internet	52%	34%
Oil and Gas	45%	26%
NRA/Gun Rights	44%	0%
HMOs/Health Services	44%	17%
Forestry and Forestry Products	43%	7%
Average	54%	23%

Source: Center for Responsive Politics (www.opensecrets.org) data analyzed by Public Citizen.
Data lags about two months behind current date.

- The **gambling industry** won a \$316 million tax break in 1998, thanks largely to Senate Majority Leader Trent Lott (R-Miss.) who slipped a pro-casino provision into an IRS Reform bill. Last year, Republican and Democratic leaders also blocked legislation that would have banned gambling on college sports. (**Gambling industry soft money 1999-2000: \$6.4 million**)
- In 1999, the **airline industry** overcame a record number of consumer complaints (delays rose 58 percent and canceled flights grew by 68 percent from 1995 to 1999 according to the Transportation Department's inspector general) and stymied a seemingly popular passenger bill of rights proposed by members of Congress. Instead, the airlines persuaded Congress to allow the industry to write its own voluntary guidelines for improved service. (**Airline industry soft money 1999-2000: \$4.1 million**)
- In June 1998, Lott and National Republican Senatorial Committee head Mitch McConnell (R-Ky.) organized the votes to kill Sen. John McCain's (R-Ariz.) tobacco control bill, which would have increased public health funds, enhanced the government's authority to regulate nicotine and reduced youth smoking. McCain attributed the bill's defeat in part to contributions the **tobacco industry** used as "protection" money. (**Tobacco industry soft money 1999-2000: \$5.0 million**)
- Last year the **drug industry** stopped Democratic proposals to provide prescription drug coverage through Medicare and persuaded GOP leaders to push a pro-industry bill that subsidizes insurance companies to offer drug benefits. (**Drug industry soft money 1999-2000: \$10.9 million**)
- **AT&T** contributed more soft money (\$3.2 million) than any other company in the last election. Ma Bell – which has moved into cable TV in hopes of dominating the high-speed Internet market – wanted Congress to relax federal rules on cable TV ownership so it could hold onto cable monopolies it acquired. AT&T nearly succeeded it getting its legislative favors slipped into spending bills. But a blast of adverse publicity caused GOP House and Senate leaders to drop their stealth maneuvers late last year. (**Telephone utilities soft money 1999-2000: \$11.6 million**)
- **Computer and Internet companies** got three of their main wishes from Congress in 1999 and 2000: limited liability for Y2K defects, increased immigration visas for foreign high-tech workers, and normalized trade relations with China. (**Computer and Internet industry soft money 1999-2000: \$18.0 million**)
- The **oil and gas industry** have convinced Majority Leader Lott, other GOP leaders and President George W. Bush that the best way to slow rising gas prices would be to allow drilling in Alaska's Arctic National Wildlife Refuge. Congressional allies of the industry pushed for access to the ANWR last year, but were stopped by the Clinton administration. (**Oil and gas industry soft money 1999-2000: \$13.5 million**)

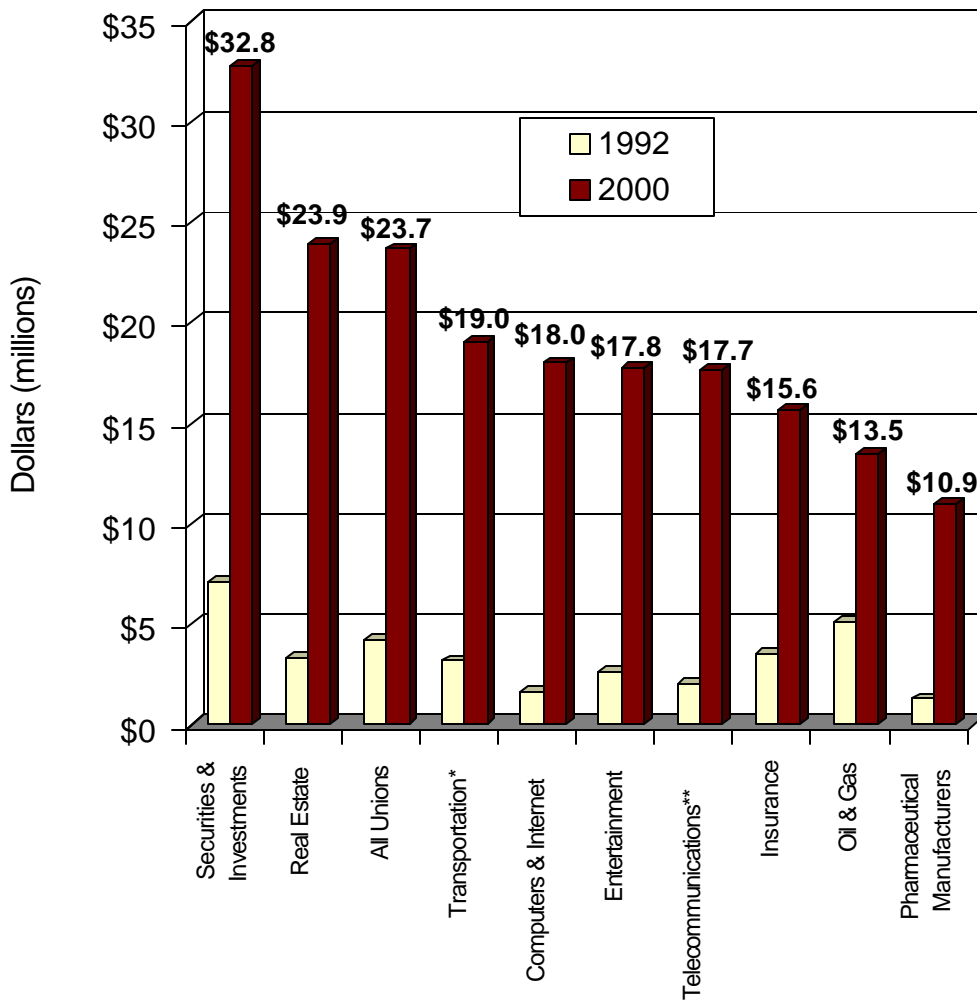
- In the last two years, the **National Rifle Association** and several smaller gun rights groups have thwarted marching moms and congressional proposals requiring safety locks on handguns and mandatory background checks for guns sold at gun shows. **(NRA/gun rights groups soft money 1999-2000: \$1.6 million)**
- In the last two years, **HMOs and managed care companies** have stalled a patients' bill of rights that enjoyed strong bipartisan support in the House because the bill would allow patients to sue HMOs for denying them needed care. **(HMO and managed care soft money 1999-2000: \$2.8 million)**
- **Timber companies** have enjoyed a massive government subsidy. The U.S. Forest Service sells timber from national forests at bargain prices and has built 440,000 miles of logging roads in public forests to benefit private companies. (Federal auditors say the Forest Service lost \$2 billion on timber sales between 1992 and 1997.) Last year, bills to reduce the federal subsidy were narrowly defeated in the House and the Senate. **(Timber industry soft money 1999-2000: \$3.5 million)**

Soft Money Receipts by Party 1991 - 2000



Source: Common Cause (www.commoncause.org).

Top Soft 10 Money Contributors by Economic Sector 1992 vs. 2000



Source: Center for Responsive Politics data (www.opensecrets.org) analyzed by Public Citizen.

* Transportation includes railroad, automotive, airline, sea transport, and trucking industries.

** Telecommunications includes telephone utilities and telecom services and equipment.

Top 10 Soft Money Contributors by Economic Sector

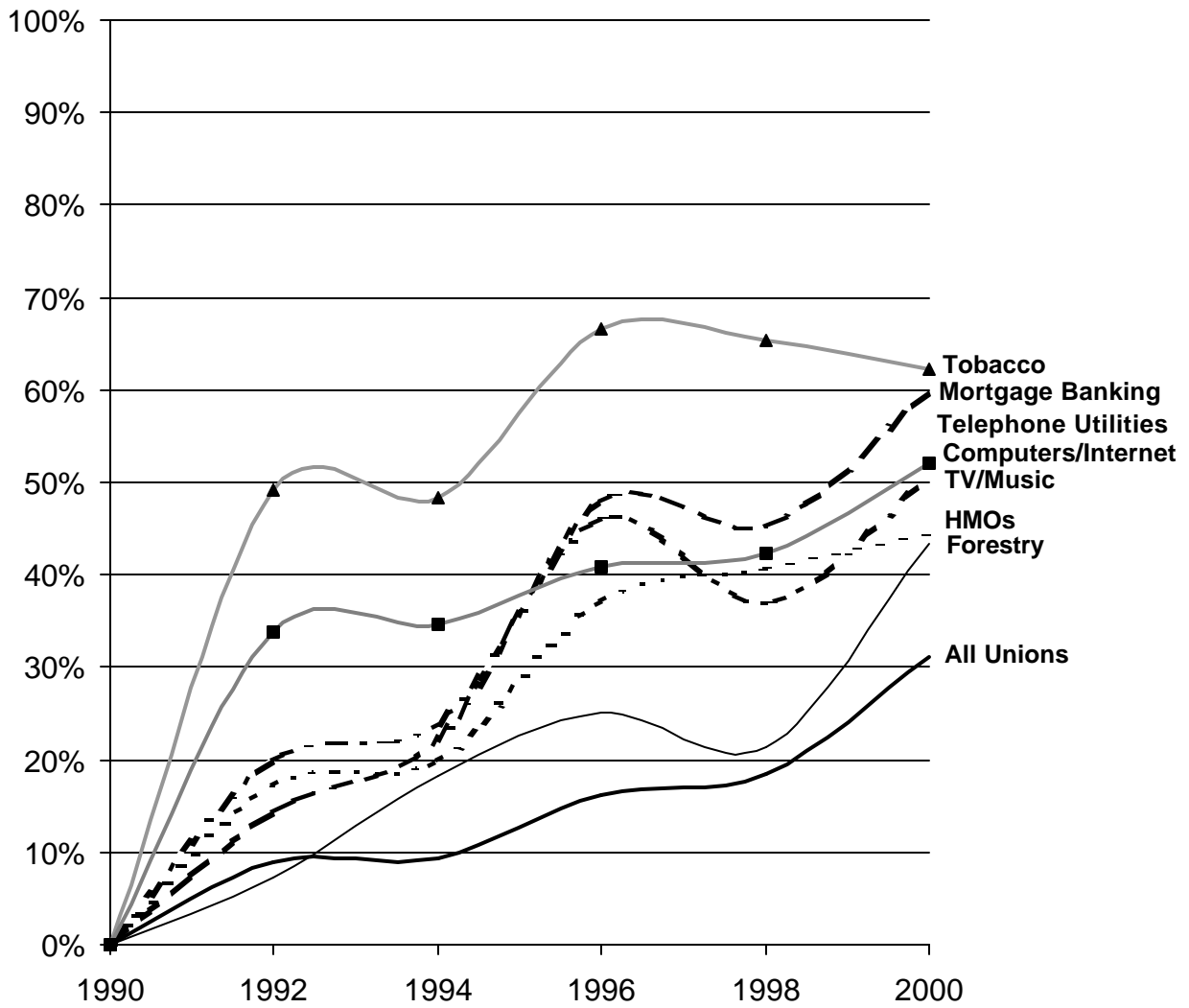
Industry	1992	2000	% increase
Securities & Investments	\$7,113,709	\$32,755,693	360%
All Unions	\$4,258,584	\$23,670,445	456%
Real Estate	\$3,286,435	\$23,914,686	628%
Transportation*	\$3,177,231	\$19,013,728	498%
Telecommunications**	\$2,068,504	\$17,679,887	755%
Entertainment	\$2,643,492	\$17,778,729	573%
Computers & Internet	\$1,626,148	\$18,002,840	1007%
Insurance	\$3,555,533	\$15,620,976	339%
Oil & Gas	\$5,154,943	\$13,459,134	161%
Pharmaceutical Manufacturers	\$1,283,137	\$10,947,830	753%

Source: Public Citizen analysis of Center for Responsive Politics (www.opensecrets.org) data. CRP data tends to lag two months behind current date.

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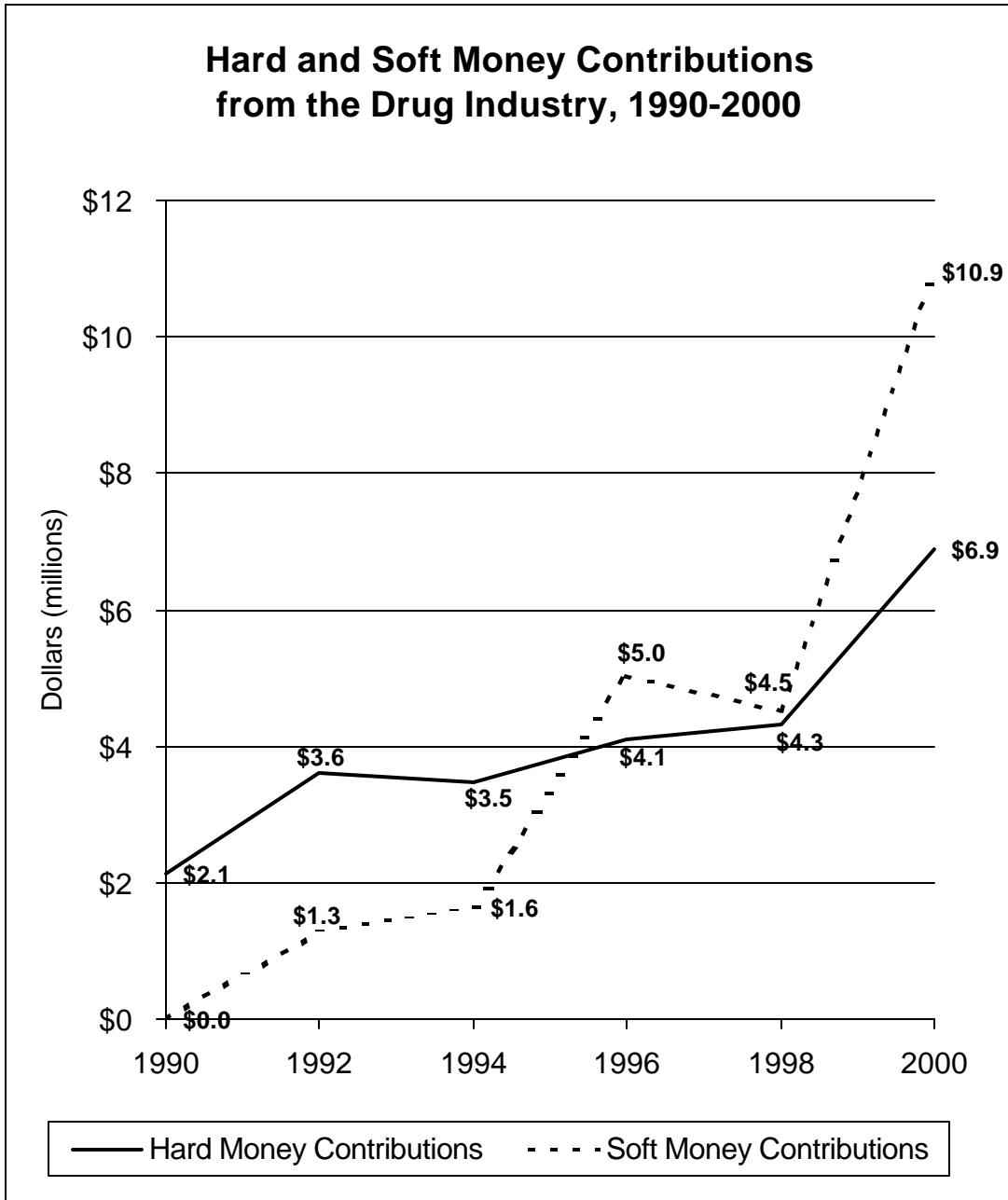
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Soft Money as a Percentage of Total Contributions from Select Industries 1990 - 2000



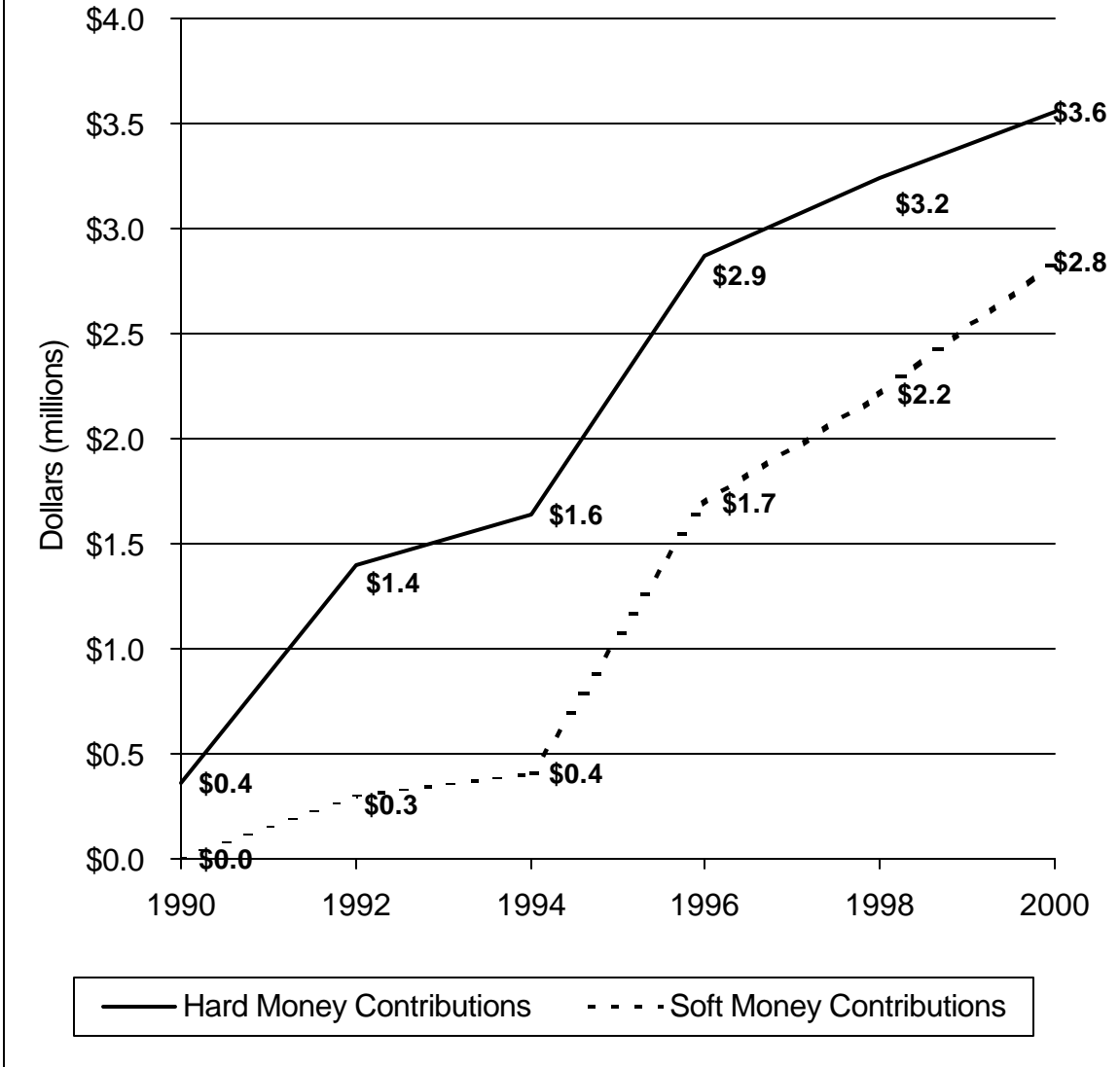
Source: Center for Responsive Politics data (www.opensecrets.org) analyzed by Public Citizen.

Hard and Soft Money Contributions from the Drug Industry, 1990-2000



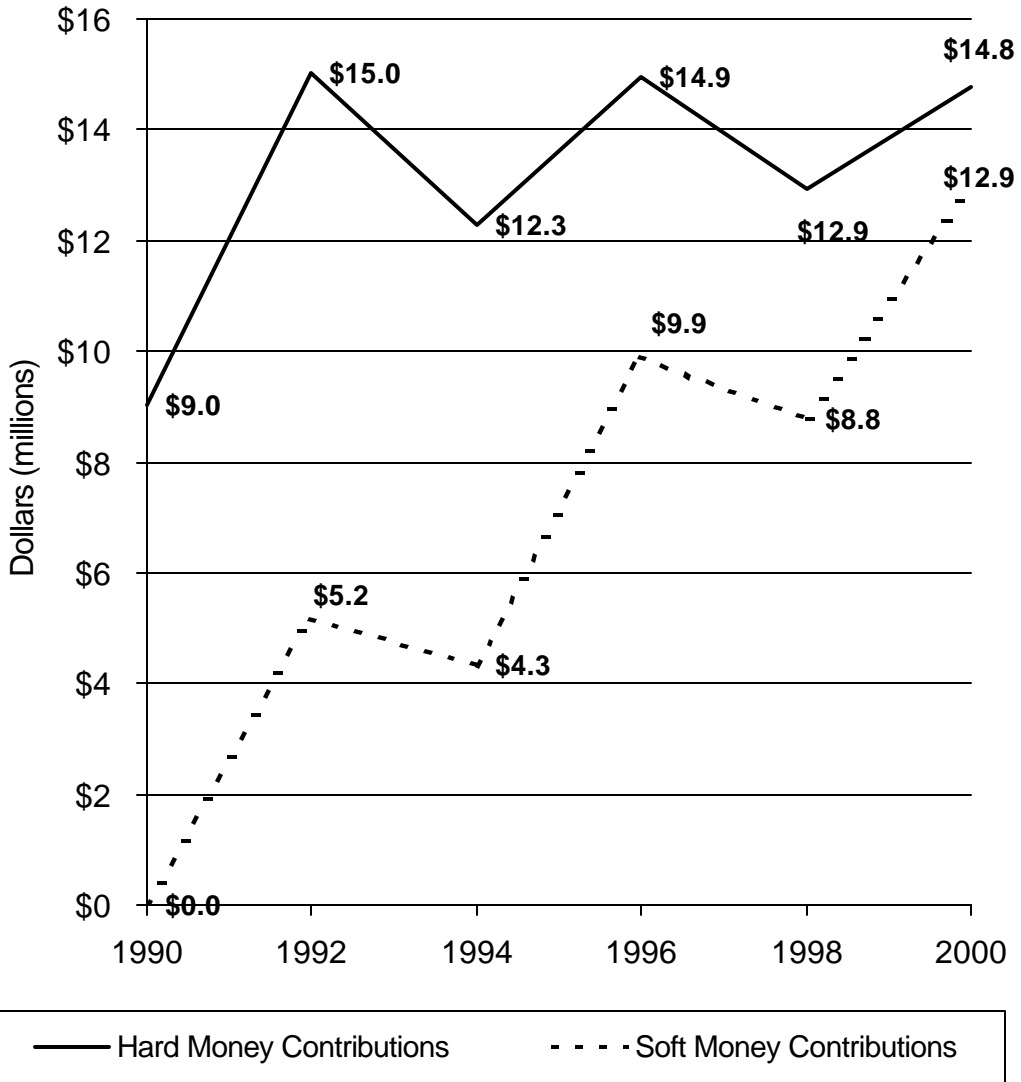
Source: Center for Responsive Politics data (www.opensecrets.org).

Hard and Soft Money Contributions from the Managed Care Industry, 1990 - 2000



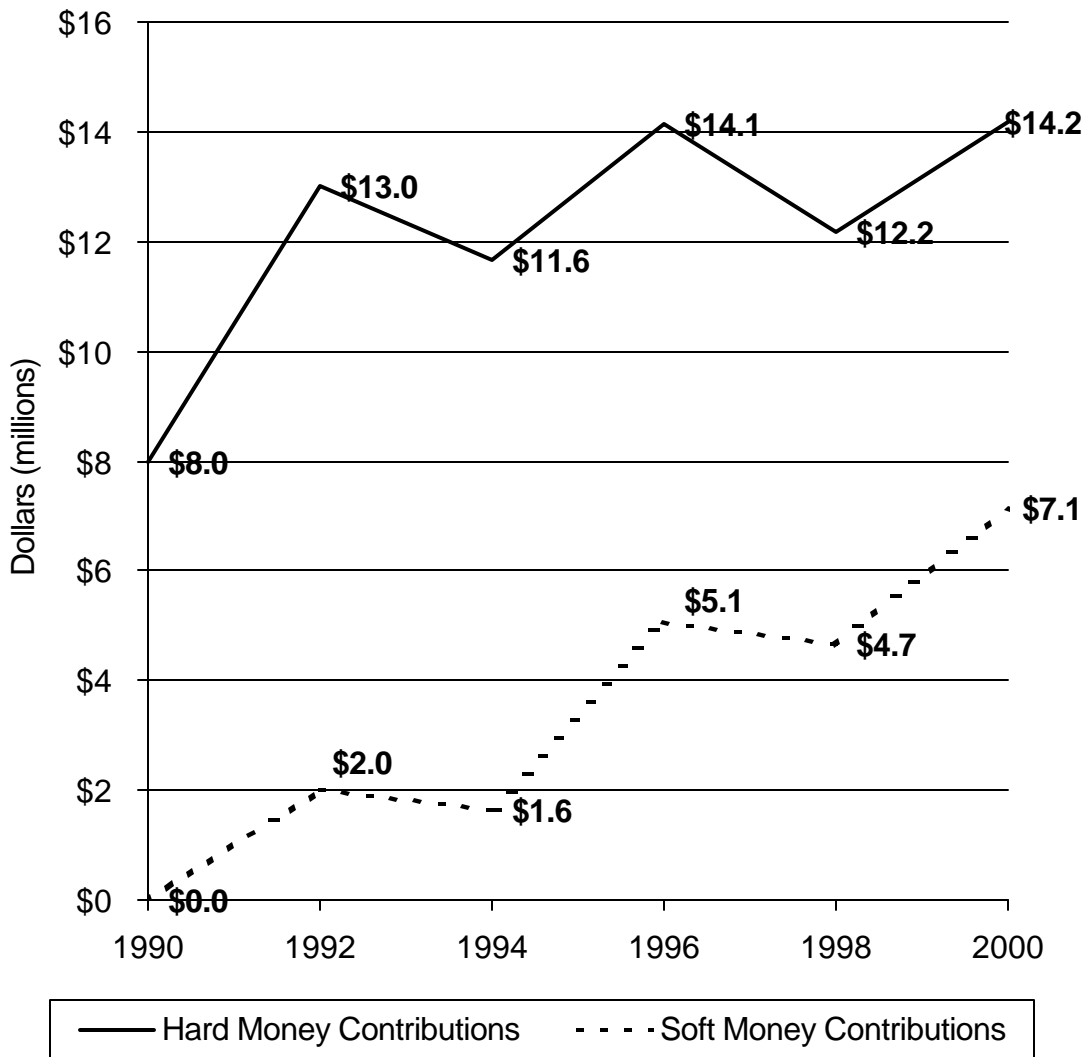
Source: Center for Responsive Politics data (www.opensecrets.org).

Hard and Soft Money Contributions from the Oil and Gas Industries 1990 - 2000



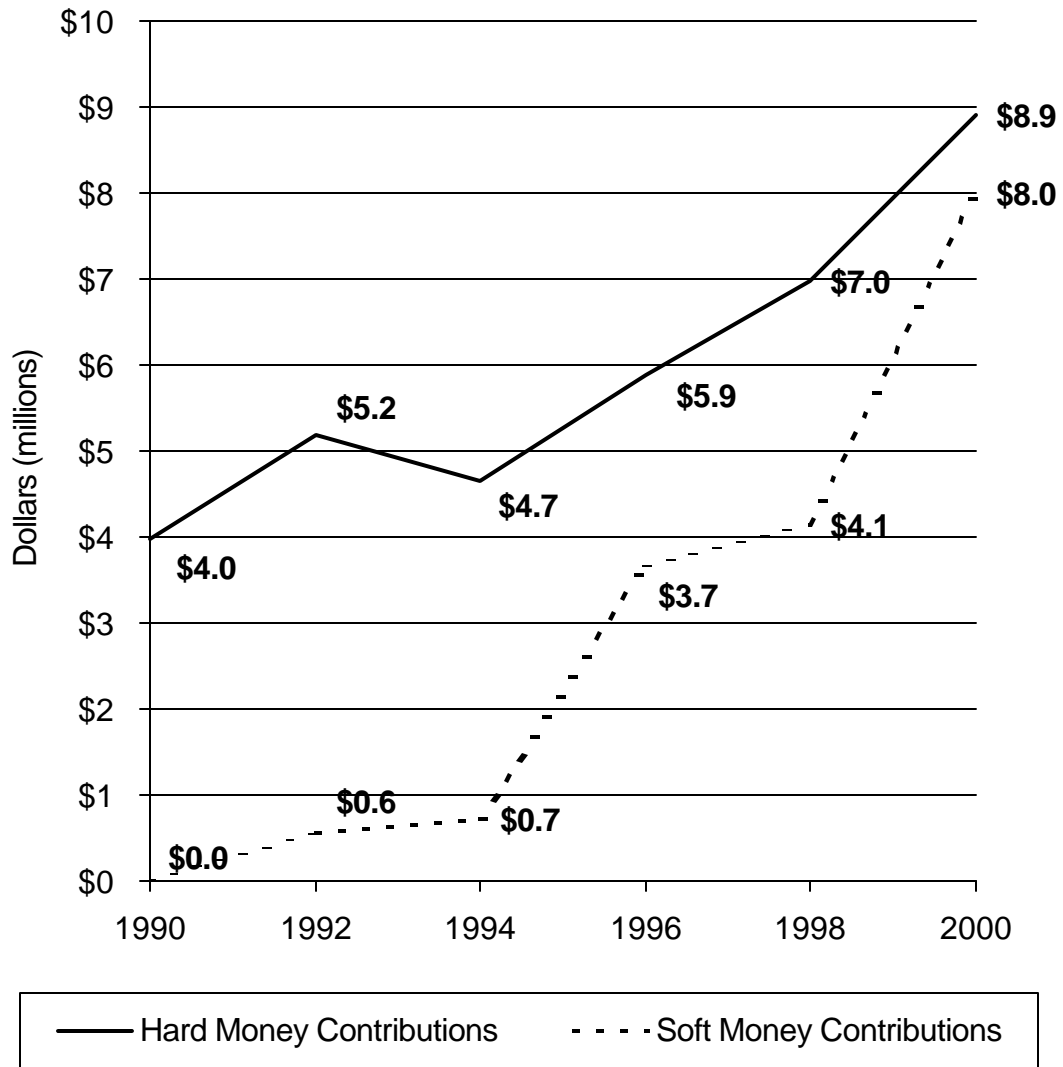
Source: Center for Responsive Politics data (www.opensecrets.org).

Hard and Soft Money Contributions from the Food Industries 1990 - 2000



Source: Center for Responsive Politics data (www.opensecrets.org).

Soft and Hard Money Contributions from the Electric Utilities 1990 - 2000



Source: Center for Responsive Politics data (www.opensecrets.org).