

votes today. Members can expect a rollcall vote at 5:30 on Monday relative to an amendment to campaign finance reform or on any judicial nomination or other Executive Calendar matter that may be cleared for a vote.

Let me emphasize, there will be a vote or votes at 5:30 on Monday. I hope an agreement can be worked out as to how to proceed on the campaign finance reform debate this afternoon. I had been willing to actually be in on Saturday to have debate on that and/or votes, but that was not well received on either side of the debate and on either side of the aisle. So we will not be in session on Saturday. I am hoping we can have some good debate and we can get an agreement on some amendment or amendments, if we can get more than one done, that actually can be voted on Monday afternoon at 5:30.

We will have votes on that or we will have a vote on probably a judicial nominee at that time, if that is what is necessary.

I yield the floor.

BIPARTISAN CAMPAIGN REFORM ACT OF 1999—Resumed

AMENDMENT NO. 2298

(Purpose: To provide a complete substitute)

Mr. DASCHLE. Mr. President, I have an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for himself, Mr. TORRICELLI, Mrs. FEINSTEIN, Mr. LEAHY, Mr. DURBIN, Mr. BINGAMAN, Mr. REED, Mr. KERREY, and Mr. KERRY, proposes an amendment numbered 2298.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 2299 TO AMENDMENT NO. 2298

Mr. REID. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 2299 to amendment No. 2298.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, Thomas Paine, the famed orator of the American Revolution, once offered an explanation for why corrupt systems last so long. He said:

A long habit of not thinking a thing wrong gives it a superficial appearance of being right, and raises, at first, a formidable cry in defense of custom.

That is certainly true of the way we pay for campaigns in this country. Our reliance on special interest money to run political campaigns is such an old habit that for a long time it had the superficial appearance of being right but not anymore.

While there is still a vocal minority who deny it, a clear majority in this Congress, and an overwhelming majority of the American people, know that our current campaign finance system is broken.

The American people understand that special-interest money too often determines who runs, who wins, and how they govern.

Opponents of change tell us that no one cares much about campaign finance reform.

I believe they're mistaken.

I believe the tide has turned.

Instead of hearing a "formidable cry in defense of custom," to use Tom Paine's expression, what we are hearing now is a growing demand for change.

One of the newest voices demanding change belongs to a group of more than 200 CEOs of major corporations. They call themselves the Committee for Economic Development, and many of them are Republican. They're pushing for a ban on soft money because, they say, they're "tired of being shaken down" by politicians looking for campaign contributions.

They, like the rest of America, will be watching this debate, Mr. President.

Another reason I believe the tide has turned is because this election cycle has gotten off to such an ominous start.

At both the Presidential and congressional level, we are on pace to shatter all previous records.

During the first six months of this year, soft money donations—the unlimited, unregulated contributions to political parties—were already 80 percent above where they were at this point in the last Presidential election cycle, in 1995.

There really are no limits any more, Mr. President. We all know that.

The current system is more loophole than law.

Opponents argue that our Constitution forbids us from correcting the worst abuses in the system. I disagree with their pinched interpretation of our Constitution. In any case, I believe our conscience demands that we at least try to fix the system.

And so during this debate, Senator TORRICELLI and I, and others, will offer the Shays-Meehan plan.

As I said, I have great admiration and respect for what Senator FEINGOLD and Senator MCCAIN have attempted to achieve. But I believe we can—and must—go further than their bill now allows.

Shays-Meehan is fair. It does not place one party or another at an advan-

tage. It treats incumbents and challengers in both parties fairly.

Shays-Meehan is bipartisan.

Shays-Meehan is passable. It has already passed the House. It is signable. The President will sign it into law.

Most importantly, Shays-Meehan is comprehensive. Not only does it ban unregulated "soft money" to political parties—the biggest loophole in the current system—it also prevents soft money from being re-channeled to outside groups for phony "issue ads."

This is critically important, Mr. President.

Spending on sham "issue ads" by advocacy groups and special interests more than doubled between the '96 and '98 election cycles—to somewhere between \$275 million and \$340 million.

A 1997 study by the respected Annenberg Public Policy Center at the University of Pennsylvania found that phony "issue ads" are nearly identical to campaign ads—with two exceptions. The "issue ads" are more attack-oriented and personal. And, it is harder to identify the sponsor. These ads epitomize the negative campaigning—without any accountability—the public so dislikes.

Shays-Meehan closes the "issue ad" loophole. It does so by applying existing rules to ads targeting specific candidates that are run by advocacy groups within 60 days of an election.

It does not silence anyone. It merely says, if you want to participate in the election process, you have to follow the rules.

In addition to closing the "soft money" and "issue ad" loopholes, Shays-Meehan makes two other important changes.

First, it provides for expanded and speedier disclosure of both campaign contributions and expenditures—plus, stiffer penalties for anyone who violates the requirements.

Second, it bans direct and indirect foreign contributions to political campaigns.

Shays-Meehan won a bipartisan majority in the other body, Mr. President. It deserves the same in this Senate.

When a person gives money to a judge who is deciding his case, we call that bribery. But when special interests give money to politicians who vote on bills that help or hurt them, we call that "business as usual."

Some mistakenly call it "free speech."

Let's be very clear: Shays-Meehan is not an attack on free speech. It advances free speech by ensuring that those with the biggest checkbooks are not the only voices that are heard.

Shays-Meehan represents extraordinarily modest reforms.

It doesn't fix every problem with our current system. But it bans the worst excesses.

It is not a panacea. But it is a credible and necessary first step in rebuilding people's trust in government.

I have no doubt we will hear a great deal over the next few days about abuses of the current system.

There are abuses—on both sides of the aisle. That's why we're having this debate.

But it's not enough just to decry the abuses. If you're really outraged by the abuses, fix the system that invites them.

Defenders of the status quo have tried to dissuade some of us from supporting real reform by warning how much it might cost us in lost campaign contributions.

What about how much the current system costs us in lost credibility?

Listen to this quote:

Senators and Representatives, faced incessantly with the need to raise ever more funds to fuel their campaigns, can scarcely avoid weighing every decision against the question "How will this affect my fundraising prospects." rather than "How will this affect the national interest?"

Do you know who said that?

It wasn't some Pollyanna progressive.

That was Barry Goldwater, in 1995.

And even if we don't make those kinds of calculations, it doesn't matter. No one has to prove that money influences our votes. It's damaging enough that people believe money influences our votes.

There are other ways the current system costs us as well. Like the cost of endless fundraising. The demeaning, demanding money chase.

In 1998, it cost an average of \$4.9 million to run a successful Senate campaign.

To raise that kind of money, you have to bring nearly \$16,000 a week, every week, for 6 years. That is the minimum it takes. Some people have to raise twice that much.

And we all know what that means. It means we spend hours and hours in campaign offices, dialing for dollars, instead of doing what people sent us here to do.

It means running to fundraisers every night—sometimes two and three a night—instead of working on problems that affect families—or maybe just having dinner every once in a while with our own families.

But the biggest cost of the current system is the cynicism it produces in people.

The American people are disgusted, and they feel disenfranchised, by the current system.

Every election cycle, the amount of money goes up, and voting goes down.

Defenders of the status quo say we need soft money for "party building" activities—like "get out the vote" drives.

If you really want to get out the vote, get the money out of politics!

Pass Shays-Meehan.

We expect opponents will use every procedural trick and advantage they can think of to try to block any real reform. They will offer amendments not to strengthen our proposal, but to sink it.

They should know: The American people understand that game. They can

tell the differences between protecting principles, and protecting partisan advantage.

We make this pledge at the beginning of this debate: If Shays-Meehan does not pass, we will do everything we can to build a coalition for real reform.

We will work with Senator FEINGOLD and Senator MCCAIN to strengthen their proposal and make it, once again, a comprehensive plan.

When you read the history of campaign finance, one of the names that stands out is Mark Hanna. U.S. Senator. Wealthy businessman. Ohio political boss. And head, at the turn of the last century, of his national political party.

Mark Hanna is widely credited with being the father of systemic campaign fundraising techniques.

He introduced the concept, for instance, of regularly assessing businesses for contributions to his party, based on their "share in the general prosperity."

He also introduced the first modern political advertising operation.

In 1895, Mark Hanna remarked that "there are two things that are important in politics. The first is money—and I can't remember what the second one is."

Mr. President, I believe Senator Hanna got it wrong. Money isn't the most important thing in politics. Integrity is.

Integrity is essential to democracy. Without integrity we lose public confidence. And without public confidence, a democratic government loses its ability to function.

We all know—whether we will admit it or not—that the current system is broken.

I hope we can work together. I hope we can come up with a comprehensive, workable plan to fix it.

The currency of politics should be ideas—not cash.

CLOTURE MOTIONS

Mr. DASCHLE. Mr. President, I send two cloture motions to the desk.

The PRESIDING OFFICER. The clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the Daschle amendment, No. 2298, to S. 1593:

Tom Daschle, Chuck Robb, Mary L. Landrieu, Joseph Lieberman, Jack Reed, Max Baucus, Barbara Boxer, Richard H. Bryan, Jeff Bingaman, Tim Johnson, Harry Reid, Robert G. Torricelli, Blanche L. Lincoln, Dianne Feinstein, Jay Rockefeller, Richard J. Durbin, Daniel K. Akaka, Ron Wyden, Byron L. Dorgan, and Tom Harkin.

CLOTURE MOTION

The PRESIDING OFFICER. The clerk will report the second cloture motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the

Standing Rules of the Senate, do hereby move to bring to a close debate on the Reid of Nevada amendment No. 2299:

Tom Daschle, Chuck Robb, Barbara Boxer, Joseph Lieberman, Jack Reed, Richard H. Bryan, Jeff Bingaman, Tim Johnson, Harry Reid, Blanche L. Lincoln, Dianne Feinstein, Jay Rockefeller, Richard J. Durbin, Daniel K. Akaka, Ron Wyden, Byron L. Dorgan, Tom Harkin, and Barbara Mikulski.

Mr. DASCHLE. Mr. President, I yield the floor.

Mrs. FEINSTEIN. Mr. President, I rise to express my strong support for the amendment offered by the minority leader and the Senator from New Jersey. As you know, this amendment is almost identical to the Shays-Meehan bill that passed the House of Representatives by a decisive, bipartisan vote of 252-177. It is time for the Senate to show the same courage and pass this important legislation.

As I enter my eleventh political campaign and my fourth California statewide election, I am one who knows a little about the dynamics of campaigning in expensive races. In the 1990 race for Governor, I had to raise about \$23 million. In the first race the Senate, \$8 million; in the second race, \$14 million. In 1994, my opponent spent nearly \$30 million in his attempt to defeat me. My experiences have led me to believe that the current campaign finance system is badly flawed and in need of overhaul.

Since 1976, the first election after the last major revision of campaign finance laws, the average cost of a winning Senate race went from \$609,000 to \$3.8 million in 1998. The average cost for a winning House candidate rose from \$87,000 in 1976 to \$679,000 in 1998.

Campaigns in 2000 are very different than they were in 1976. Clearly, our campaign finance system must be reformed to reflect these differences.

I have been a strong supporter of federal campaign finance reform since my first election to the Senate. Campaigns simply cost too much and it is long past time that Congress does something about it.

I believe very strongly that this will be the final real opportunity this millennium to make significant structural reforms to our campaign finance system. Two of the fundamental changes that I believe must be made are a complete ban on soft money contributions to political parties and making independent campaign ads subject to contribution limits and disclosure requirements as are a candidate's campaign ads.

While I have a great deal of respect for the persistence the Senators from Arizona and Wisconsin have demonstrated in pushing the Senate to act on campaign finance reform, I am concerned that the underlying bill, S. 1593, is too narrow to constitute a real reform of the campaign finance system. Banning soft money without addressing issue advocacy will simply redirect the flow of undisclosed money in campaigns. Instead of giving soft money to

political parties, the same dollars will be turned into "independent" ads.

The issues of soft money ban and independent advertisements go hand in hand and one can not be addressed without the other.

SOFT MONEY BAN

The ability of corporations, unions, and wealthy individuals to give unlimited amounts of soft money to political parties is the largest single loophole in the current campaign finance structure. The lack of restrictions on soft money enables anonymous individuals and anonymous organizations to play a major role in campaigns. They can hit hard and no one knows from where the hit is coming. The form that soft money is increasingly taking is negative, attack ads that distort, mislead, and misrepresent a candidate's position on issues. These ads have become the scourge of the electoral process.

This is the third time in as many years that the Senate has had the opportunity to pass meaningful campaign finance legislation. Last year, a minority of Senators blocked its passage and they appear poised to do so again.

The consequence of this action is clear: voters will continue to become disenchanted with the political process and the flow of money into campaigns and the access it buys will continue to grow.

The numbers speak for themselves. According to the Federal Election Commission, the Republican party raised \$131 million in soft money during the 1998 election cycle. That is a 149 percent increase over the last midterm election in 1994. The Democratic party is not much better. We raised \$91.5 million, a 89 percent increase.

Soft money contributions are continuing to rise. In the first 6 months of this year, Republicans raised \$30.9 million, 42 percent more than in the first six months of the 1997-98 election cycle. Democrats raised \$26.4 million, a 93 percent increase.

One organization, Public Citizen, estimates that soft money spending this election cycle will exceed \$500 million. That is double the amount spent in the last presidential election cycle and six times as much as in 1992.

At some point this escalation of campaign spending has got to stop. We simply cannot continue down this path. A complete ban on soft money contributions to political parties is the first and most basic way to reduce the amount of money in our campaigns.

ISSUE ADVOCACY

That brings me to the other disturbing trend in the American political system: the rise of issue advocacy. This campaign loophole allows unions, corporations, and wealthy individuals to influence elections without being subject to disclosure or expenditure restrictions.

During last year's debate, I mentioned a study released by the Annenberg Public Policy Center that estimated that during the 1995-96 election cycle independent groups spent be-

tween \$135 and \$150 million on issue advocacy.

The Center has done a similar study for the 1997-98 cycle and the result is quite disturbing. They estimate that the amount spent on issue advocacy more than doubled to between \$275 million and \$340 million.

These ads do not use the so-called "magic words" that the Supreme Court identified as express advocacy and, therefore, are not subject to FEC regulation. The Annenberg study found, however, that 53.4 percent of the issue ads mentioned a candidate up for election.

The Center found another unfortunate twist to issue advocacy. Prior to September 1, 1998, that is in the first 22 months of the election cycle, only 35.3 percent of issue ads mentioned a candidate and 81.3 percent of the ads referred to a piece of legislation or a regulatory issue.

After September 1, 1998, during the last 2 months of the campaign, a dramatic shift occurred. The proportion of ads naming specific candidates rose to 80.1 percent and those mentioning legislation fell to 21.6 percent.

A similar shift can be seen in terms of attack ads. Prior to September 1, 33.7 percent of all ads were attack oriented. After September 1, over half were.

These findings clearly demonstrate that as election day gets closer, issue ads become more candidate oriented and more negative. This kind of unregulated attack advertisements are poisoning the process and driving voters away from the polls.

The amendment offered by the minority leader defines "express advocacy" communications as advocating election or defeat of candidate by: First, using explicit phrases, words, or slogans that have no other reasonable meaning than influence elections; second, referring to a candidate in a paid radio or TV broadcast ad that runs within 60 days of election; or third, expressing unmistakable, unambiguous election advocacy.

This provision draws a clear line between true issue advertising and electioneering activities. It is an important part of any real reform effort and I applaud the minority leader for seeing that we have an opportunity to vote on it.

OTHER ISSUES

This amendment also contains a number of important issues that are not contained in the underlying bill. I understand the sponsors of the bill removed them in an attempt to force a straight up or down vote on the soft money ban. I do feel, however, that some of these provisions will significantly improve the campaign finance system and are worth mentioning.

The bill mandates electronic filing; allows the FEC to conduct random audits of campaigns within 12 months of an election; makes it easier for the FEC to initiate enforcement action; and increases penalties for knowing and willful violations of election law.

This amendment would lower the threshold for disclosure of contributions from \$200 to \$50. It would prevent candidates from depositing contributions of \$200 if the disclosure requirements are not complete. It would also require the FEC to post contribution information on the Internet within 24 hours of receipt.

These are commonsense steps to making our elections more open to the public. Voters are increasingly feeling cut out of the political process. By allowing an open window into our campaigns, we can begin the process of re-connecting with voters.

In closing, Mr. President, I want to again thank the Senators from Arizona and Wisconsin. Without their leadership on this issue we would not have come as far as we have.

This body is now faced with a choice. We have been at this same point several times in the last couple of years and each time we have failed to act and each time the American public has grown more cynical and lost more confidence in their government.

With the passing of every election, it becomes more and more clear that our campaign system desperately needs reform. I remain hopeful that this is the year that Congress can finally come together in support of legislation that brings about a real improvement in our campaign system. Let's make the first election of the twenty-first century one of which we can be proud. I urge my colleagues to support this amendment.

THE PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I regret that I cannot support this amendment at this time. I want to make it clear why.

The amendment would essentially restore all of the provisions of S. 26, which is the original McCain-Feingold legislation to this bill. I still support those provisions and strongly believe that most, if not all, should be enacted into law. Now is not the time to do so.

My good friend, RUSS FEINGOLD, and I spent much time debating as to how we could move forward on the subject of campaign finance reform. We, along with many others who have supported this effort for many years, came to the conclusion that some reform is better than no reform. Unfortunately, if this amendment is adopted, a political point will be made, but reform will be doomed, and the sponsors of this present amendment are very well aware of that.

We all know there are 52 votes for S. 26. We all know that. We went through a long period of debate and amending. We know there are 52 votes. Tell me where the additional 8 votes are for S. 26, and I will be the first to sign on and support this.

I ask my dear friends who just prodded what is basically McCain-Feingold, where are the votes? I think the answer is obvious.

What we have tried to do in proposing a ban on soft money and a codification of that is to start a process

which has succeeded in this great deliberative body over many years with amendments and disposal of amendments, up or down, and improving the bill but letting the Senate work its will. We have already picked up one additional vote. I am told there are other Members on this side of the aisle who are considering supporting this legislation.

But it is also clear that those same people who are leaning towards supporting would not vote for S. 26 in its entirety because of their strongly held—although I don't agree, I respect their views—view that the independent campaign aspect of the original McCain-Feingold has constitutional difficulties associated with it.

We know the facts. We need 60 votes to prevail, and 52, while a majority, is not enough and will not be until the rules of the Senate are changed where 51 votes are necessary for passage.

For some time, I hoped that my colleagues who oppose reform would allow a majority in both bodies to prevail and do what the vast majority of the American public desires. But the opponents of reform, defenders of the status quo, won't cede their rights.

I have learned from previous debates on other matters not to let the perfect be the enemy of the good. The bill before the Senate represents a modest step but a very important step forward.

I want to emphasize that point again. If we can pass the underlying bill, we will have made an extremely important and vitally needed step forward.

There is no observer of this issue of campaign finance reform who does not disagree that banning of soft money would have an important and salutary effect on the evils and ills of the present campaign finance system. There is no objective observer, whether they are for or against campaign finance reform, who would deny that the single act about allowing soft money would have a significant effect on the present system.

Do I personally desire that a more comprehensive bill be passed into law? Yes. In my 16 years in the Congress, I have learned to be a realist.

Simply put, if this amendment is accepted, campaign finance reform will be dead. There will be no reform this year and most likely next year. During that period, I am sure that more loopholes in the current system will be found and exploited. Public cynicism will have grown and, unfortunately, nothing will have changed except the same political points will have been made once again and, undoubtedly, more and more money will be awash in our political process.

The New York Times had it right on 14 October. Let me quote:

An important but little-noticed boost was given to campaign finance reform in the Senate this week. Sam Brownback of Kansas became the eighth Republican to break with his party's leadership and support the McCain-Feingold soft-money ban, scheduled for debate today. There are now 53 votes to choke off a Republican-led filibuster and

pass the bill, only seven votes short of what is needed. The pressure is mounting on other Republicans to support reform. But amid these favorable developments, a move by Robert Torricelli and some other Democratic supporters of reform could undercut the cause.

The risk is posed by a Democratic attempt to block Senators John McCain and Russell Feingold from advancing a stripped-down version of their reform legislation. The new McCain-Feingold bill would omit a section preventing independent groups from raising unlimited money for sham campaign ads two months before an election. Some Republicans say that because that section threatens free speech, they cannot go along with the central objective of reform, which is to ban unlimited donations to campaigns waged by political parties. Shrinking the bill to a simple soft-money ban for parties has paid off. Senator Brownback is on board and other Senate Republicans may follow.

Mr. Torricelli and the Democratic Senate leader, Tom Daschle, are nonetheless determined today to scrap the new McCain-Feingold bill and substitute the original bill, with the limits on independent groups. This is a serious tactical mistake that raises questions about the Democrats' commitment to campaign finance reform. They ought to know that the bill they are pushing does not have the votes to break a filibuster, whereas the revised McCain-Feingold bill has a chance of getting them.

It would be especially grievous if their move played into the destructive tactics of Senator Mitch McConnell of Kentucky and other Republican foes of reform. Mr. McConnell might even try to deliver enough votes for the Democratic move, allowing it to pass because in the end the bill in that form will surely die.

Some Democrats, noting that the House passed its broader Shays-Meehan reform last month, warn that a narrower bill in the Senate will not survive either. But Mr. Brownback's courageous move makes it worth a try.

Mr. President, I think the New York Times has it right. I think we should determine that this would be viewed by many as a cynical ploy which would assure the failure of campaign finance reform.

I believe we need to vote down this amendment, return to what has given those who have been laboring on this issue for many years, some optimism, and to go back to a process where there are amendments on the specific issues. If we correctly debate and amend this issue, each one of those provisions of the original provisions of McCain-Feingold will be brought up for consideration, voted, and the body will work its will.

It is abundantly clear that if this amendment is adopted, it is the end of campaign finance reform. Have no doubt about the effect of this amendment. No one should have any doubt about the effect of this amendment. I hope that is well understood by Americans all over this country who have committed themselves, people such as "Granny D," who yesterday visited with me and Senator FEINGOLD. She has walked across this country. People have committed themselves to reforming this system. People such as her all over America deserve better than what is being done with this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, every Senator who has taken the floor has given the appropriate compliments to Senator FEINGOLD and Senator MCCAIN. I will be no exception. Congress has been considering campaign finance reform for more than a decade. There have been, by my estimation, 3,000 speeches made on the floor of the Senate for campaign finance reform, some 6,500 pages of CONGRESSIONAL RECORD, 300 pieces of legislation. Indeed, we would not be at this moment without Senator FEINGOLD or Senator MCCAIN. They deserve that credit.

I found their arguments in recent years so persuasive that I am today joining Senator DASCHLE in presenting their own legislation. The original McCain-Feingold bill, which found its way to the House of Representatives, is before the Senate now as the Shays-Meehan legislation. Similar in content and purpose, it is comprehensive campaign finance reform.

Regarding advocacy of that reform, I take a second place to no Member in my years in the Congress. I have never voted against campaign finance reform, and I never will. I believe the integrity of this system of government and the confidence of the American people is at issue. It is not by chance that only a third of the American people are participating in some elections. Even in the choice of the Presidency of the United States, with those not registered and those not choosing to vote in many of our localities and States, half of the American people are not participating. It is not that they do not recognize the choice is important. I do not believe they have a lack of confidence in our country. They do not respect the process because they believe they do not have an equal position, and it is money that is the heart of that problem.

When we entered into this new phase of campaign finance reform 2 years ago, along with most Members of this institution, I had great ambitions for how far we could go with reform. Indeed, in private conversation, almost every Member of this Senate knows the fundamentals of comprehensive reform. We started with such ambition. We were going to subject all independent advocacy groups in issue advertising to the rules of the FEC. We were going to require full and immediate disclosure by all contributors. We were going to ban soft money to the political parties. We were going to prohibit foreign interests. We were going to reduce the cost of television time. We even discussed the subsidies of mail to inform voters.

One by one almost every one of these reforms has been eliminated from the legislation. Political cultures in all of our States are different. In my State, in Florida, Illinois, Massachusetts, Texas, and California, I don't believe

real campaign finance reform is possible without reducing the cost of television advertising. There is a reason for the spiraling rise of campaign spending; it is the cost of television advertising. In each of the large metropolitan areas, 90 percent of the money goes to feed the television networks. That was the first reform to be eliminated.

Then there was the advocacy of subsidized mail. It went the way of public finance—one by one by one. Yet, because the need for reform is so overwhelming and the public confidence is so much in question, I joined in the last Congress with Senator MCCAIN and Senator FEINGOLD and reluctantly supported their legislation. Although I believe these critical provisions for the reduced cost of television advertising were essential for reform in my area of the country, I joined in support of the McCain-Feingold. That was to be followed by the House of Representatives which reached the same judgment in a historic vote for Shays-Meehan.

That brings the Senate to this moment. In a frustration I share with other advocates of campaign finance reform, the mantra of the day has become: Do something, do anything. Pass some legislation. Call it reform. Let's put the problem behind us.

If only it were so easy.

The new legislation presented by Senators MCCAIN and FEINGOLD has a single objective: to eliminate soft money fundraising from Democratic and Republican Parties. It is a worthwhile objective, but it does raise the prospect that if passed it will eliminate the chance to have any further campaign finance reform. If history is any guide, every decade we get one chance to redesign this system. We are largely still governed by the Watergate reforms of 1974. Through a series of court rulings and FEC decisions, they clearly are no longer producing a system that was once envisioned. If we institute but this single change, we will not create a new system of our design but, in my judgment, be governed by the law of unintended consequences.

Let's look for a moment at this new national campaign system. If Senator DASCHLE and I fail and the House of Representatives legislation in Shays-Meehan is rejected and instead we adopt this very narrow reform as envisioned by Senators MCCAIN and FEINGOLD, we eliminate soft money fundraising by the political parties, but it is maintained for issue advocacy and independent expenditures.

The principal rise in campaign advertising in recent years is not the political parties; it is this independent advocacy expenditure. This chart tells the story. In 1998, the Democratic and Republican Parties spent \$64 million in issue advocacy spending; nonparty advocacy groups spent \$276 million, rising at a rate of 300 percent cycle to cycle.

In my hand I have the list of 70 advocacy groups. It begins alphabetically with the AFL-CIO and ends with the

Vietnam Veterans. In between are many organizations I support and believe have a worthwhile contribution to the national political debate; some I note I do not believe have great contributions to the political debate. But they are all heard—in the last election cycle, \$276 million worth of advocacy.

The legislation before the Senate by Senators FEINGOLD and MCCAIN does nothing about the expenditures, nothing. Nothing. Many exist as nonprofit tax-free organizations under the IRS Code. From whom they raise money is unknown. As to the sources of their contributions, no one in this Senate could attest. They often exist before the public eye as names that misrepresent their purpose and are designed to shield their objectives. They are not just a part of the national political advertising debate; they are coming to dominate it.

What is this new campaign finance world that will be produced if Senator DASCHLE and I fail and the House of Representatives Shays-Meehan legislation is rejected? A national political debate that is fought by surrogates. The Democratic and Republican Parties will be within FEC rules, raising money only at \$1,000 per person, \$50 a person, \$100 a person—a good system, where every name will be known, limits will be imposed to reasonable amounts. But over our heads will be a far larger contest fought by the AFL-CIO, with millions more dollars of expenditures, the Christian Coalition, anti-abortion groups, chemical companies, automobile companies, steel companies, that will spend millions, indeed, if history now is any guide, hundreds of millions of dollars of advocacy.

Mr. REID. Will the Senator yield for a question?

Mr. TORRICELLI. I will be happy to yield.

Mr. REID. Yesterday, in a colloquy I had with the senior Senator from Arizona, we established that in the very sparsely populated State of Nevada, in the last general election—I was a candidate, HARRY REID, running for election, and John Ensign, Congressman Ensign, was running for my seat—we spent over \$20 million in our direct campaigns and in the soft money. That is established. You can determine how much that is.

The Senator would acknowledge that; is that right?

Mr. TORRICELLI. I would.

Mr. REID. Yet to this day, a year after the election, we do not know how much money was spent by these outside groups you are talking about, the NRA, the League of Conservation Voters, the truckers—

Mr. TORRICELLI. You don't know how much was spent or who spent it?

Mr. REID. No; nor where their money came from. Is that the point the Senator is making?

Mr. TORRICELLI. It is the central point. The proper system is the full disclosures we have for the Democratic

and Republican Parties; limit those political parties just to these hard money contributions within the law, but extend that to all Americans who participate in the national political debate.

The fact that my colleague, as a Senator, has accounted for every dollar he has raised, and he did so within limits, but these major groups enter his State either on his behalf or against his candidacy, yet my colleague doesn't know who they are or where their money is coming from and to whom they are accountable, is the heart of the problem.

Mr. REID. I say to my friend from New Jersey, in the election that was held in the State of Nevada last year, Congressman Ensign and Senator REID never really campaigned because of all the outside influences. Our campaigns were buried in all these independent expenditures and State party expenditures.

At least with my campaign, and that of the State party, anyone in the world can find out how much money was spent. But for the independent expenditures, no one in the world can find out what money was spent.

Mr. TORRICELLI. I point out to the Senator from Nevada, this is not simply a problem with our adversaries; sometimes it is a problem with our allies.

When I go to the people of New Jersey, I want to present to them who I am and what I want to do, what my record is as a Senator. Groups whose support I am very proud of—AFL-CIO, National Abortion Rights League, Sierra Club, environmental groups—I am proud to have their support, but I don't want them presenting my campaign. Under the system that would be in place if Shays-Meehan were rejected, the political parties would be further restricted from advertising. I think they should be restricted with soft money. But if these advocacy groups were to take over, they would hijack your campaign; they would tell the people of your State what you were for and what you were against.

It is not only your adversaries who will be out there presenting a campaign against you with these enormous amounts of money, it is even your allies who are not so restricted.

Mr. REID. I say to my friend, in the election of 1986, when Senator BRYAN was elected to the Senate, he was a sitting Governor at the time. At that time, there were these ads that came from nowhere, hundreds of thousands of dollars of ads in the State of Nevada. These ads were talking about Social Security.

One would think these ads were run by some organization that had some concern about Social Security. We learned later that those ads were being paid for by foreign auto dealers—talking about the United States of America's Social Security plan. That is what happens when these groups have unfettered, unrestricted ability to spend money on any subject they want for any cause they want.

Mr. TORRICELLI. Let me say to the Senator from Nevada, that is not atypical. Health care in this country has been undermined by advocacy of insurance companies whose principal interest is not the delivery of quality health care to people who are currently uninsured, but they stand behind these blind advertising campaigns where no one knows where the money comes from.

Just as in the campaign of my colleague from Nevada, we have polluters who are running ads on environmental protection; we have people on consumer safety who are representing groups that are damaging to individual consumers. That is because none of these groups is disclosable and none is accountable.

In the current system, bad as it is, while these groups can run these advertising campaigns, the political parties are also raising soft money and there is a chance to answer them. Now the political parties will no longer be able to raise these funds, but these advocacy groups will continue in an upward spiral of spending. Senator DASCHLE's point is, let's eliminate this gross fundraising and these soft money expenditures across the board within 60 days of an election by putting everybody under the FEC rules.

Senator MCCAIN has said, "But that will not pass." It may not. But it passed in the House of Representatives, and 60 Republicans came to join with the Democratic majority in passing it. We are not 20 or 30 or 40 votes from passing it in the Senate, we are 7 or 8. I would come back here every week of every month of every year until we restored the integrity of this Government and got comprehensive campaign finance reform.

But the answer is not to lower our ambitions for campaign finance reform, to have a new, distorted system to make American politics fought by surrogates over the heads of candidates. The answer is to remain committed to this reform, reveal to the American people who is voting against it, who is stopping it, and let the American people decide.

Mr. REID. I say to my friend in conclusion—and I appreciate his allowing me to ask him a question or two—first of all, I hope beyond all hope the Shays-Meehan bill passes. That is the amendment that has been filed by our leader, the Democratic leader. I hope that passes. I am going to do everything I can to make sure that passes. I hope we have Republicans of goodwill who will support that legislation.

I have offered another amendment that would eliminate soft money. I respect and appreciate what the Senator from New Jersey has said. Certainly there is merit to what he said. But I believe, as I think does most everyone in the Democratic conference, that even if Shays-Meehan for some reason fails, there will be a significant number of us, out of desperation regarding the system that is so bad in this country,

who will support the so-called soft money ban. I hope we do not get to that. I hope Shays-Meehan passes. The Senator makes a compelling case for what might happen. I hope something short of that will happen and the soft money ban will bring some reality to the system.

Mr. TORRICELLI. I thank the Senator from Nevada.

I note the problems of which I speak are not theoretical. Groups are already adjusting to the possibility that there will be a soft money ban in the political parties but no Shays-Meehan reform. They therefore are adjusting to this new reality. Let me give an example.

Congressman DELAY has now formed a group, Citizens For A Republican Congress. He has gone to the wealthiest donors in the Nation, promising them a safe haven for anonymous and limitless contributions to the 2000 elections. He is reportedly planning on spending \$25 to \$30 million in 30 competitive House races in soft money.

So Congressman DELAY will now, if this happens in the Democratic and Republican Parties, personally be directing a larger advertising campaign than the Democratic or Republican Parties in either House of Congress.

The former advisers to Congressman DELAY are also forming a Republican issues majority committee, which is planning on spending \$25 million.

Already in a previous cycle, in the 1996 cycle, Americans for Tax Reform received \$4.6 million from the Republican National Committee that they were able to spend on issue advocacy.

United Seniors Association spent \$3 million in direct mail in seven States in the 1996 election. They are an IRS tax-exempt 501(c)(4) social welfare organization.

U.S. Term Limits, a 501(c)(3) tax-exempt charitable organization, spent \$1.8 million in 1996;

Americans for Limited Terms, \$1.8 million in seven States;

American Renewal, \$400,000, a 501(c)(3).

These are charitable organizations. The Tax Code has these provisions for people who want to help churches, synagogues, and Americans who are hurt and damaged, and to help build communities. They are being used as a cover for political advertising and no longer simply a force on the fringes of American politics.

Look at the chart I have on my left: 1998 elections. Nonparty advocacy groups are two-thirds of all the issue ads in U.S. politics. The political parties, Democratic and Republican Parties, are one-third. If the sum total of the legislation offered by Mr. MCCAIN and Mr. FEINGOLD is that we will largely eliminate this third, when a Senator stands here a year from now going over this same problem, this entire pie chart will be advocacy groups, many of them tax-free organizations that are hiding who is contributing to them, who is running them, where their

money is coming from, often using disguised names and running surrogate campaigns over the heads of political candidates.

Mr. FEINGOLD. Will the Senator yield for a question?

Mr. TORRICELLI. I will be happy to yield to the Senator.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from New Jersey has the floor and has agreed to yield for a question from the Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, let me ask a question, if I can, about the chart I believe he has up at this time. Is the Senator from New Jersey aware the \$276 million estimate of issue advertising in the 1998 cycle, which the Senator has there I believe, includes all issue advertising, not just ads that are so-called phony issue ads? Is the Senator aware this chart actually covers all issue ads?

Mr. TORRICELLI. I think I said it covers all.

Mr. FEINGOLD. It covers the Harry and Louise type of ads, tobacco ads and ads just related to bills that do not have anything to do with campaigns directly.

Mr. TORRICELLI. It covers all of those. I do not see that because they are dealing with an issue, they are not otherwise intending to influence an election.

Mr. FEINGOLD. Fair enough. I wanted to establish that. The chart the Senator from New Jersey is using relates to an entire election cycle, a 2-year period, and it covers all sorts of ads. That means all kinds of true issue ads and so-called phony issue ads, as well as political party ads, are included in his chart.

All three categories are in there. That is the basis on which he makes his argument. Is he aware the Shays-Meehan bill—which, of course, Senator MCCAIN and I essentially wrote in the first place—that he has offered as an amendment would have no effect on any ad aired before the last 2 months of an election campaign?

Mr. TORRICELLI. I am aware of it, and if it was my design, I would have it apply to issue advocacy ads throughout the calendar so everyone is equal. To quote Senator MCCAIN, making the perfect the enemy of the good, if it is your argument that because I cannot bring all issue advocacy under FEC hard money limits, therefore we should do none, that, I think, is to surrender the point and we will not make any progress.

Mr. FEINGOLD. Mr. President, if the Senator will further yield, that is very interesting because it is essentially the same argument the Senator from New Jersey is using against the McCain-Feingold approach at this time which is, unless you do it all, it is not worth doing some because the soft money would flow to outside groups.

Mr. TORRICELLI. My argument is, I believe, the Senator from Wisconsin and the Senator from Arizona are making a premature retreat. I concede

there may not be 60 votes in the Senate today for comprehensive campaign finance reform, but I do believe there is mounting public pressure. I believe Senators who vote against comprehensive campaign finance reform, who will vote against us on cloture on the amendment offered by Senator DASCHLE, are accountable to the people in their States. In the House of Representatives 2 years ago, the passage of comprehensive campaign finance reform was equally unlikely. Sixty Republicans crossed the aisle to vote with Democrats for real reform.

These numbers are untenable. You cannot explain to the American people that you allow this charade to continue of people hiding behind these groups and spending \$1 million, \$100,000 contributions that are not accountable.

I respect the Senator's work, but I believe we would do better to remain on this. I believe, in the alternative, you are going to establish a system where these groups dominate American politics as you silence the political parties.

Mr. FEINGOLD. Mr. President, will the Senator further yield for a question?

Mr. TORRICELLI. I would, but Senator BENNETT is standing. If we could go to him next.

Mr. BENNETT. Mr. President, I thank the Senator for yielding for a question, and I precede the question with a comment that I think the Senator from New Jersey is doing us a very worthwhile service in pointing out the reality of the world in which we would live if soft money were banned for political parties but not for everybody else. I agree with the Senator from New Jersey, absolutely in his words, when he says the debate would be fought by surrogates which would take place over our heads, a far larger context.

I ask the Senator to give us his opinion of what would happen if Shays-Meehan, which he is endorsing, were to pass and then the Supreme Court were to strike down as unconstitutional the ban on issue ads by outside groups? Would that not, in fact, then leave us with the situation which the Senator from New Jersey is decrying, I think appropriately, as a bad system?

Mr. TORRICELLI. Senator BENNETT raises a very worthwhile point. Indeed, as Senator MCCONNELL has noted in a number of cases, this is all an interesting debate. There are various sides trying to do good things, but the last word is in the Supreme Court, and, indeed, whether or not the Supreme Court will allow us to ban issue advocacy through soft money contributions to advocacy groups or even the political parties remains a question.

If the Senator's point is correct, we could end up in the same place with, I will concede to you, the current McCain-Feingold if the Court were to do so. Senator MCCONNELL has also pointed out it is a question of whether the Court will allow us to maintain the

current limits on campaign fundraising in any case. Senators who vote on this should be aware that the Court, before we are concluded, will change probably much of what we are writing.

Mr. BENNETT. Mr. President, if I can ask a further question of the Senator from New Jersey, if he is aware—I know he is aware because he is a very astute student of politics but maybe not aware enough to comment without further research—if he is aware of what has happened in the State of California where they have virtually unlimited initiative opportunities and virtually every truly contentious political issue is now decided by initiative rather than by the legislature and the amount of money that is spent in an initiative fight dwarfs any of the sums we are talking about here.

In the State of California, when an initiative fight comes up over an issue, which traditionally would be handled by the State legislature, the special interests on both sides of that fight routinely go over the hundreds of millions of dollars on both sides of the fight which dwarf the amount of money spent for a senatorial or gubernatorial race in that State.

I ask if the Senator is aware of some of those particulars and if he will comment on the implications of that on a national basis if we get to the point where issues are fought out by special interest groups with unlimited budgets being spent on both sides, the implications on the role of the legislature in its constitutional responsibility to control the legislative agenda.

Mr. TORRICELLI. We may not be on the same side of the debate for comprehensive reform, but I think our dialog can help Senators understand the world in which we are entering, because if we, indeed, reject Shays-Meehan and only go to this narrow reform, that single adjustment is going to change the American political debate as we know it. The Senator has raised some of the means by which it will change.

I will predict for the Senator the new environment in which we are going to live: The Democratic and Republican Parties that now receive great amounts of this soft money with a wink and a nod are simply going to direct it to favorite organizations. Instead of soft money contributions coming to the Republican National Committee, for example, people who are interested in a particular issue are going to give it to an advocacy group. You will never know who they are. The contribution will never be known, but the money will be redirected, and rather than leaders of the party deciding how to present the issue, those groups will do so.

Second, I predict to you the Democratic and Republican Parties will establish their own independent wings, much like legally what Senator D'AMATO did with the Republican Senatorial Campaign Committee. Down the hall, they put a new sign on the

door, new incorporators, a new name, took money, and did issue advocacy.

As long as you do that fully at arm's length, it is fine to do. But the same soft money you think you are banning in the parties will now go to these independent groups or affiliated groups. Unless this is done comprehensively, you are only going to have money flow in through different windows.

What bothers me the most is that the people who are most honest about the process and most committed to stopping this abuse will suffer while those who are prepared to do the winks and nods, establishing the other organizations, working on some affiliated arm's-length basis will succeed. In any case, we are not going to stop this money; we are going to redirect it. The only way to stop it, in my judgment, is comprehensive reform.

Mr. FEINGOLD. Will the Senator yield for a further question?

Mr. TORRICELLI. I am happy to.

Mr. FEINGOLD. I think this is an extremely useful exchange that really goes to the core question about this legislation. I want to thank the Senator from New Jersey, even though we may come to different conclusions about specific tactics in what we do here. I thank the Senator for allowing us to talk about this because this is really what it is all about. Let me first reiterate my concern and ask a question about the totality of the ads the Senator suggested on his charts.

Would the Senator concede that when you are dealing with ads that simply have to do with legislation, prior to 60 days, let's say, for example—the kind of tobacco ads we have seen; the ads we have seen about the Patients' Bill of Rights, the so-called Harry and Louise ads during the health care debate—there is no way under either Shays-Meehan or under McCain-Feingold, or even under any other legislation, we could prohibit those ads? Is that something with which the Senator would agree?

Mr. TORRICELLI. I think it is difficult to know how the Supreme Court is going to deal with all of this. But certainly, if you get outside the 60 days and you are attempting to bring people under FEC regulations for issue advocacy outside of the 60 days, your case will clearly be weakened.

Mr. FEINGOLD. I am specifically talking here about ads that do not talk about elections at all, they are simply talking about legislation. The Senator will concede, without a constitutional amendment, we could not prohibit such ads?

Mr. TORRICELLI. I don't dispute that, although, indeed, if we were really doing comprehensive reform, which seems to be lost in the Senate, frankly, I would be going to that question on disclosure and tax deductibility and people remaining in tax-free status to do so. That would be comprehensive reform. But for the purpose of the argument, I will concede the point.

Mr. FEINGOLD. Fair enough. I think that is important because we have to distinguish here between the kinds of ads we are talking about.

If it is the case, as the Senator from New Jersey suggests, that banning soft money will cause money to flow to phony issue ads, I think it is also rather difficult to dispute—in fact, you seem to concede—if we prohibit that, that the money will just flow to generic issue ads as well. Isn't that your likely scenario?

Mr. TORRICELLI. That is the scenario I predict.

Mr. FEINGOLD. Let me follow then to the really important question you are raising about the possibility of the attempts to evade our attempts to simply ban party soft money.

I don't doubt for a minute that the Senator is right, that the attempt will be made to evade the intent of the law, and in some cases it could succeed. But is the Senator aware that the McCain-Feingold soft money ban, the bill we have introduced, will prohibit Federal candidates from raising money for these phony outside groups such as the organization that is connected with Representative DELAY? Are you aware that that provision is actually in this soft money ban?

Mr. TORRICELLI. I am aware of it. And I believe it will be proven to be entirely ineffective.

Mr. FEINGOLD. Are you further aware that the bill will prohibit the parties from transferring money to 501(c)(4) organizations such as Americans for Tax Reform, which you mentioned a short time ago?

Mr. TORRICELLI. There would be no reason to do so. They are no longer raising soft money, so why would they need to transfer?

Mr. FEINGOLD. So that route will be blocked.

Mr. TORRICELLI. That route will be blocked. Instead, the environment we create would be this. Is the Senator from Wisconsin, with his familiarity with American politics and American fundraising, generally of the belief that people who are now contributing \$100,000 or \$250,000 contributions, because they are advocating some perspective in American politics, when you pass this law, you are going to sit at home and say: You know, I guess I'm just not going to be heard; I'm going to remove myself from the process because that's the right thing to do?

I think the Senator from Wisconsin must at least be suspicious that that money, that same check, is going to work itself into Americans for Tax Justice or one of these other 70 organizations that are engaged in this political advertising.

It may not happen, as the Senator has appropriately written the bill, that a Member of Congress or a political party leader calls one of these contributors and says: Send your check to so-and-so. But certainly the Senator is aware it will not be very hard for political leaders to divert this money by a

wink or a nod or some smile in the right direction, and we are going to end up, instead, having these surrogate organizations running these campaigns.

Mr. FEINGOLD. I further ask the question—I do appreciate these answers—I think when you look at the tough provisions we put in this bill, although nothing is ever perfectly complete if somebody is willing to violate the law and take their chances, but what we are talking about here is corporate executives, CEOs, who now give money directly to political parties, taking the chance of running afoul of these new criminal laws.

I have this chart. It is a list of all the soft money double givers. These are corporations that have given over \$150,000 to both sides. Under the Senator's logic, these very same corporations—Philip Morris, Joseph Seagram, RJR Nabisco, BankAmerica Corporation—each of these would continue making the same amount of contributions; they would take the chance of violating the law by doing this in coordination with or at the suggestion of the parties, and they would calmly turn over the same kind of cash to others, be it left-wing or right-wing independent groups?

I have to say—and I will finish my question—I am skeptical that if they cannot hand the check directly to the political party leaders, they will take those chances.

I share your suspicions about some group trying to funnel this money. There is no question that some of that will happen. But wouldn't you concede there has to be some serious risk, in our soft money ban, for these corporations to pull this kind of a stunt?

Mr. TORRICELLI. Reclaiming my time, I do not doubt there are some people who will not participate in doing so. But in what is a rising tide of soft money contributions in the country, they will be overwhelmed by people who will because it is not illegal. It will not be illegal. It will be fundamentally clear which of these affiliated organizations each political party supports and favors.

It certainly is not going to be lost upon many donors that the Democratic Party looks favorably upon the Sierra Club or NARAL. I doubt that any major Republican contributor is not going to understand that Grover Norquist, Americans for Tax Justice, or term limits, or the antiabortion groups, or term limits are favored by the RNC.

No one is going to have to send out a letter or make a speech. Everybody is going to know where everybody stands. The same money just gets redirected, but not equally as bad as the party contributions—worse, no accountability; you will never know who they are. And the ads, I believe, become less and less responsible.

Mr. FEINGOLD. Will—

Mr. TORRICELLI. Nor, by the way, if I may continue, is this a theoretical problem. I do not cast aspersions, but

entirely legally in the 1996 cycle, when the restrictions were out on the coordination of issue advertising, Senator D'AMATO set up a separate division and did issue advertising. It is entirely appropriate, entirely appropriate.

This August, Grover Norquist had \$4.5 million worth of advertising for his Americans for Tax Justice. In some of those advertisements, they used the same film footage as Republican candidates were using—on the same issues. That technically is not advisable, but it is happening. We have some responsibility here in the Senate to deal with the reality of how this process is going to evolve.

Mr. FEINGOLD. One more question, because the Senator from New Jersey has been very generous in responding.

The proposition you are advancing appears to be—given this chart, Philip Morris did give almost \$500,000 to the Democrats, although they gave \$2.5 million to the Republicans—apparently the Senator believes, one way or another, Philip Morris is going to see to it that that kind of money—\$500,000—sees its way to the Sierra Club or NARAL or some kind—

Mr. TORRICELLI. Probably not the groups the Senator has cited, but I do believe they end up in an organization.

Mr. FEINGOLD. But it will go to that kind of a group.

The point I want to reiterate—and I put it in the form of a question—is that the suggestion that a party soft money ban that includes some new tough provisions to protect against evasions of the law would not make a difference, I think, is problematic. We are talking about making these subterfuges, which are currently legal—maybe at the most they are stretching the law—illegal. What Mr. DELAY is doing, from the other body, apparently is right on the line, some would say. Maybe it is legal; maybe it isn't. But we can't say for sure it is illegal. We are making sure in our bill that it is a crime to do this sort of thing.

Don't you think it would make a significant difference and raise the bar on the risk for these companies and those individuals to play this game? Isn't it worth taking the chance by banning soft money and having these tough provisions? Isn't it worth giving it a try?

Mr. TORRICELLI. My point to the Senator from Wisconsin is, he is not banning soft money. He is continuing the legitimization of a process where money from unknown contributors is distorting the American political process and undermining confidence.

I have great respect for what the Senator from Wisconsin has done, but it is a premature and unfortunate retreat. If the Senator believes we should be banning soft money, we should be banning soft money for people in the entire process, not the Democratic and Republican parties alone.

Could the Senator tell me, under your provisions, when Congressman DELAY simply takes his name off of this and he puts on his cousin, B.B.

DeLay, or his former chief of staff, how does your law protect his \$25 million expenditures when he no longer has a name on it, but it is very clear to anyone in the country the organization that he favors?

Mr. FEINGOLD. I am very glad the Senator asked me that question. Again, you come to the heart of the matter. Let us look at the language of the bill we have put forward.

It does not talk about only what the gentleman from Texas—as we should perhaps refer to him on the floor—would do directly. The language is clear. It says: A candidate, an individual holding Federal office, agent of a candidate or individual holding Federal office, or an entity directly or indirectly established, financed, maintained, controlled by, or acting on behalf of one or more candidates—cannot raise this money.

We deal with the indirect problem. It is not possible to have B.B. DeLay become the shell person to do this without running the risk of violating the law.

Since you asked me a question this time, I will answer in the form of a question back to you. How can you say to me that we only deal with some of the soft money when the whole exchange we just had made you concede—you clearly conceded—that you can't deal with all the soft money, that there is no way you could ever deal with—

Mr. TORRICELLI. Reclaiming my time, I can deal with it. I remind the Senator, I am yielding the time. It can be dealt with. I am telling you about our legislation. In the original McCain-Feingold bill now passed by the House of Representatives, we are dealing with soft money in this 60-day period.

Mr. FEINGOLD. You are not dealing—

Mr. TORRICELLI. The most sensitive period for American elections are those ads that are actually directly influencing elections.

Mr. FEINGOLD. Is the Senator not aware that even during the 60-day period, the Shays-Meehan bill, which, of course, was the McCain-Feingold bill, does not cover pure issue ads? It only covers ads that show the likeness of a candidate or mention the name of a candidate. It does not cover the Harry-and-Louise kind of ads.

Mr. TORRICELLI. The Senator knows I am aware. But to go back to Senator MCCAIN's point, his argument of making the perfect the enemy of the good, no; I can't control every abuse in American politics by the Shays-Meehan bill. I can't control advertising throughout the entire 2 years. I can't control advertising where someone wants to buy a soft money ad to show the virtues of his grandmother. I can't do that. That may not be important. But what we did accomplish in the original McCain-Feingold bill is, in that 60-day period when elections are most influenced, we were making sure the American people knew who was doing the advertising and where the

money was coming from if they were attempting to influence their votes. That was a high standard, not an impossible standard, and a worthwhile goal. It never should have been abandoned. That is what leads us to the floor today.

I want to ask one final question, and then I will yield to Senator BENNETT.

Mr. BENNETT. I thank the Senator.

Mr. TORRICELLI. I want to ask the Senator from Wisconsin one more question. A group of unaffiliated citizens decides they are going to rent a building next to DNC headquarters. In that building, they are going to call themselves Democrats for a Better America. Democrats for a Better America is going to file as a charitable organization along with the Red Cross and the Boy Scouts. No one in the current DNC leadership is going to be on their board of directors, but they are right next door. They are going to have the same seal as the DNC except they are going to take one toe off the eagle and they are going to change the color tone a little bit, but they are going to be right next door. They are going to take \$200,000 contributions, million-dollar contributions. And unlike the Democratic Party, they are not going to disclose them. No one is going to know where the money is going to come from.

Can the Senator tell me how legally we are going to restrict American citizens from doing this constitutionally under your provision, unless we had Shays-Meehan, which applied these soft money bans to everybody's efforts?

Mr. FEINGOLD. I think, in the scenario you described, there would be a heck of a case to suggest there is indirect coordination. What you have just described is an obvious scenario.

Mr. TORRICELLI. Different address, different name, different purpose.

Mr. FEINGOLD. I would be delighted to have some sort of an investigation of whether or not that is a different organization and has no connection with the party. But if the Senator has some concerns about how we drafted this, if he thinks we need to take the language and tighten it up—I think it is pretty tight—but we would be delighted to try to make this tougher. You are right. We shouldn't let anybody do this by ruse. What you described is a ruse.

Mr. TORRICELLI. Reclaiming my time, what I am describing to you is what I believe is going to be the future of American politics. We do have tougher language; it is called Shays-Meehan. That is why Senator DASCHLE and I have offered it. It is a complete, comprehensive ban on soft money. It is genuine reform. There is no end to my admiration of the gentleman from Wisconsin who wrote it.

I yield to Senator BENNETT.

Mr. FEINGOLD. I want to make one comment, if I could, in response to that. Excuse me, to the Senator from Utah.

Let me again thank you and, of course, reiterate, I helped write those

provisions in Shays-Meehan. I would love to see them passed. It would be more than the bill we are now proposing. But the notion that it isn't worth it, if that is all we can do—and that is something we disagree on and we will debate in a few minutes, I hope—the notion that it isn't worth it to ban these giant direct contributions to the parties, as well as the various attempted ways to try to get around the ban, which we seek to do, to not do that, to suggest that not doing that alone isn't worth it and it is worse than the status quo, to me, is absurd.

Let me reiterate, I do support the language of Shays-Meehan. But the question that is crucial is whether or not it is at all possible to get 60 votes for that. I suggest stopping this is well worth doing.

I thank the Senator from New Jersey.

Mr. BENNETT. I thank the Senator from New Jersey.

Is he aware of a gentleman named Arnold Hyatt?

Mr. TORRICELLI. I do not know Mr. Hyatt. Should I?

Mr. BENNETT. If I may, then, could I enlighten the Senator from New Jersey on the case of Arnold Hyatt. This comes from an article that appeared in Fortune magazine on September 7, 1998, in an article entitled "The Money Chase," the subtitle of which says: It's as venal as this: The Presidential candidates who raise the most money get the nomination. Fortune's guide to the masters of the political universe.

Now, in that article, it describes Arnold Hyatt, 71, who, in 1996, was the second largest individual contributor to the Democratic Party. His \$500,000 gift was second only to the \$600,000 given by Loral's Bernard Schwartz.

The article goes on to say: Hyatt wrote his \$500,000 check a month before the November 1996 election, specifically to help unseat vulnerable House Republicans and return the House to Democratic control.

I am sure the Senator from New Jersey would accept that as a laudable goal. The Senator from Utah might argue with that, but that was his purpose. In the article it says he has decided not to give any more soft money. Quoting the article, why he decided to stop contributing to politicians so soon after giving so much, he admits that it was because his Democrats didn't win.

Then, the article goes on:

He still aspires to topple his enemies by ending the Republican majority in Congress. Hyatt then hasn't gotten religion, he's changed tactics. Rather than relying on the Democrats to press his agenda, he is now giving heavily to organizations like the Washington-based Public Campaign, which lobbied for publicly financed elections.

I submit to the Senator from New Jersey that what he says will go on and, in fact, is already going on, as demonstrated in the case of Mr. Hyatt who gave one-half million dollars—enough to put him on the chart of the Senator from Wisconsin all by himself,

without any company behind him, his own money, one-half million dollars. Clearly, it had to be soft money because if it were hard money, it would be illegal and over the \$25,000 limit. He decided to shift that giving from a party—because he wasn't getting the results he was hoping for—to a special interest group.

That is why I asked if the Senator was aware of him because, in my view, he represents a class A example of exactly what the Senator from New Jersey is saying will happen. It has already started to happen and will continue to happen if we pass the underlying legislation.

I thank the Senator.

Mr. TORRICELLI. I thank the Senator. It is illustrative that we can be on different sides politically in the campaign finance debate and see emerging the same future. The Senator has described the future of American politics, where large donors choose their favorite organization, or create one of their own. Rather than be part of a political campaign, they create their own issue advocacy group, fund it with their own money, and run their own advertising. You, as a candidate, will sit in the leisure of your home, sending out postcards or mail with your thousand dollars in federally restricted funds, while on your side the Chamber of Commerce, or on my side the AFL-CIO, fights a war in the airwaves over our heads. You won't control content; you won't define yourself; you won't answer to your opponents. You will be a spectator in your own campaign.

We may have different prescriptions for the problem—mine is Shays-Meehan—to put everybody on the same plain. You may have a different formula, but we see the same future.

Mr. MCCONNELL. Will the Senator from New Jersey yield?

Mr. TORRICELLI. Yes.

Mr. MCCONNELL. I have been listening carefully to the observations of my friend from New Jersey. Along the same lines, would the Senator agree with the Senator from Kentucky that the only entities in American politics completely devoted and willing to support challengers are the political parties?

Mr. TORRICELLI. In my experience, that is largely true.

Mr. MCCONNELL. Would the Senator from New Jersey agree that, as a practical matter, the result of the most recent version of McCain-Feingold is to take away 35 percent of the budget of the Democratic Senatorial Committee, 35 percent of the budget of the Republican Senatorial Committee, and roughly 40 percent of the budgets of the RNC and the DNC; is that not correct?

Mr. TORRICELLI. That is probably a fair estimate.

Mr. MCCONNELL. So I say to my friend from New Jersey, another maybe unintended consequence of the proposal that is targeted right at the heart of America's two great political parties is

that it will make it even more difficult for challengers to be competitive in elections across America.

Mr. TORRICELLI. I think the Senator from Kentucky makes a good point, that neither will be in a position to fund challengers. I don't know about the spending priorities of the Republican organization, but I can tell you soft money, largely raised by the DNC and the DSCC, also goes for things such as voter registration, for get-out-the-vote efforts, which are not necessarily things for which to use Federal moneys. That soft money, in our case, almost exclusively goes for those outreach programs. Indeed, our States are all different, but in my State, soft money goes almost entirely to minority communities for get-out-the-votes and registration.

Having said that, the Senator and I agree on his analysis. Nevertheless, where we part is I would be prepared to have the DSCC and the DNC forego all soft money and operate only on hard money. But my concern is, I don't want to do so while the National Rifle Association or the Christian Coalition or the right-to-life organizations are running soft money campaigns against our candidates or challengers.

Mr. MCCONNELL. I say to my friend, we don't agree on the underlying issue. But selective disarmament of the two great political parties, some would argue, is not a step forward in having more and more competitive elections, which presumably would be a good thing for the American political system. As the Senator knows, I don't want to disarm anybody. I don't think we have a problem in America because we have too few voices speaking on issues.

My view is, a government that spends \$1.8 trillion a year is a government that can threaten an awful lot of people. It is not at all surprising these citizens, groups, and parties want to have an impact on a government that has the ability to take away everything they have. So I am not surprised, nor am I offended, by all of these voices having the opportunity to speak out.

But I thank the Senator from New Jersey for making the very important point that it is a sort of selective quieting of voices, a singling out of six committees. I think there are something like 3,000 committees registered with the Federal Election Commission. If this particular version of McCain-Feingold were passed, I say to my friend from New Jersey, 6 committees out of 3,000 would be unable to engage in issue advocacy, raising an important fifth amendment problem under the equal protection clause. Is it possible for the Government to single out 6 committees out of 3,000 and say only those committees cannot engage in issue advocacy?

So this thing has an important fifth amendment problem. We have talked a lot about the first amendment in this debate. This proposal has a serious fifth amendment problem.

I thank my friend from New Jersey for his observations about what is going to happen, practically, if you simply target the parties.

Mr. TORRICELLI. I thank my friend.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, the question before the Senate is, Are we going to make progress in reforming our campaign finance system or not?

That is the simple question before us. In the 105th Congress, the Senate took up comprehensive campaign finance reform measures three times—in September of 1997, in March of 1998, and in September of 1998. Despite my support and the support of a majority of the Senate, these measures could not break the legislative logjam and move forward. So it was obvious it was time for a new approach, a new test that would allow the Senate to consider a more narrow piece of legislation and then work its will on the various components of the original McCain-Feingold bill.

Now, I am a supporter of the more comprehensive approach. I am proud to have been an early cosponsor of the McCain-Feingold bill. The Shays-Meehan bill is, too, an excellent piece of legislation. It contains many provisions I wholeheartedly support. But the point is—and the Senator from New Jersey is well aware of it—the comprehensive approach will not garner the votes necessary to move through this Senate. So the question is, Do we want to make progress or don't we?

It is difficult to think of a better example of the old adage of "the perfect being the enemy of the good" than the debate we are having this morning. So I rise in strong support of the underlying measure before us, the revised McCain-Feingold bill.

The underlying bill closes the most glaring loophole in our campaign finance laws by banning the unlimited, unregulated contributions known as soft money. The legislation also takes an important step of codifying the Supreme Court's decision in the Beck case. This will preserve the rights of nonunion members who must pay fees to a union to have their money excluded from the union's political activity fund.

In 1974, in the aftermath of Watergate, Congress passed comprehensive campaign finance reform measures that placed dollar limits on political contributions.

In its *Buckley v. Valeo* ruling, the Supreme Court upheld those contributions limits reasoning they were a legitimate means to guard against the reality or appearance of improper political influence.

Contribution limits remain on the books, but in reality, they have become a dead letter. The resourceful have found that the easiest way to circumvent the spirit of Federal election

law is to provide huge sums to the political parties through soft money donations. For years, soft money contributions to the major political parties were used for party overhead and organizational expenses. But over time, the use of soft money has increased dramatically to include a wider range of activities which influence elections.

Mr. President, in 1907, corporations were banned from directly contributing to Federal elections from their treasury funds. In 1947, Congress passed the Taft-Hartley Act, which banned labor unions from contributing treasury funds to candidates. Plain and simple, the soft money corporations and labor unions funnel through the parties clearly circumvents those laws.

We in this body decry legal loopholes, but we have reserved a gaping one for ourselves. Indeed, the soft money loophole is more like a black hole, and that sucking sound you hear during election years is the whoosh of six-figure soft money donations gushing into party coffers.

The soft money loophole in our Federal election laws has been exploited to the point where the legislative framework put in place in the 1970's has become a mere shell. In 1994, approximately \$100 million was raised through soft money by the major parties. Four years later, that amount more than doubled—fully \$224 million was raised in soft money.

The problem with soft money was painfully evident during the 1997 hearings at the Senate Governmental Affairs Committee, in which the Committee heard from one individual who gave \$325,000 to the Democratic National Committee in order to secure a picture with the President of the United States. We also heard from another individual, the infamous and clearly unrepentant Roger Tamraz who testified that next time he is willing to spend \$600,000, rather than \$300,000, to purchase access to the White House. In a July, 1997 interview with the Los Angeles Times, Johnny Chung, who gave \$366,000 derived from illegal foreign sources to the Democratic National Committee and other Democrat organizations, cynically revealed the depth of the current problem; he said, "I see the White House is like a subway—you have to put in the coins to open up the gates."

This is what this debate is about.

How long can public faith in a political system survive when the public perception exists that wealthy groups are given a stage, podium and a microphone to broadcast their concerns, while the voice of the vast majority remains muted?

I hope Members will indulge me if I take a moment to explain the importance of this issue to the people of Maine.

Time and time again, I hear it said on the Senate floor and elsewhere that the American people do not care about this issue. I can't speak for the citizens of other States, but I know the people

of Maine care deeply about this issue—about reforming our campaign finance system.

My home State has a deep commitment to preserving the integrity of the electoral system and ensuring that all Mainers have an equal political voice—and Mainers have backed their commitment to an open political process in both word and deed. In many regions of Maine, political life is dominated by town meetings and public forums in which all citizens are invited to share their concerns, and hash out critical political matters. This is unvarnished direct democracy where all citizens are a part of the process. People with more money do not get to speak longer or louder than people with less money. Perhaps it is our tradition of town meetings that explains why so many Maine citizens feel so strongly about reforming our Federal campaign laws, about reforming the current system. And that strong feeling is one I share.

The bill before us today is not a broad sweeping reform such as the one we considered last year and the year before. Rather, it is a modest attempt to achieve some progress by tackling the biggest abuse in the system. This primary purpose of today's bill is to stem the growing reliance on huge soft money contributions. This is not a radical approach; rather, our proposal to eliminate political party soft money, endorsed by former Presidents Gerald Ford, Jimmy Carter and George Bush, is a measured step toward meaningful reform.

Mr. President, when I ran for a seat in this body, I advocated major changes to our campaign finance law, but I recognize that goal must wait for another time.

But surely we can take this initial critical first step. Although I remain personally committed to more comprehensive changes in the current law, I believe the revised McCain-Feingold bill before us today will serve as a building block on which we can build a much better election financing system.

I look forward to the debate in the days ahead. My colleagues have several proposals to improve this bill. But at the conclusion of this debate, my guiding principle in casting my votes on the amendments before us, including the proposal by the Democratic leader, will be answering the question of whether we are moving forward and whether we are successfully ending the abuse of unregulated soft money in our campaign finance system.

I urge my colleagues to join me in supporting this modest, commonsense first step to restore integrity and public confidence in our campaign system.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I thank the Senator from Maine. She has been a stalwart and steadfast advocate, ally, and friend in this very difficult effort. I know that not only the people of

Maine but the people of Arizona are very appreciative of everything she has done in this effort. She lends credibility and grace to the debate. I thank her very much for everything she has done.

I want to talk for a few minutes about an organization called the Committee for Economic Development. It is an independent research and policy organization of some 250 business leaders and educators. It is nonprofit, nonpartisan, and nonpolitical.

The interesting thing about the Committee for Economic Development is that they are composed preliminarily of business leaders in America, mainly from major corporations, some smaller, and many educators. It has an incredibly illustrious membership.

This organization took a very bold step not too long ago; that is, a group of chief executive officers of major corporations decided they would stand up and reject soft money contributions to American political campaigns, whether they be Republican or Democrat. I am sure that was not an easy decision on their part. I am sure there have been significant pressures brought to bear against many of them as individuals and as corporations.

They issued a very interesting statement by the Research and Policy Committee, the Committee for Economic Development. It is entitled, "Investing in the People's Business: A Business Proposal for Campaign Finance Reform." Chapter IV is entitled: "Recommendations for Reform." It says,

Our recommendations are also informed by our belief in certain basic principles that should govern a system of campaign finance regulation. The five principles listed below reflect the objectives we regard as most important, which should form the basis for evaluating regulatory reform proposals.

(1) Regulation should protect free speech and promote an informed citizenry.

The First Amendment and the principles it embodies guarantee freedom of speech and expression and thus protect the cornerstone of our political system: full and robust political debate. The courts have acknowledged the link between political finance and the First Amendment in ruling that the financing of political expression is a protected form of political speech under the First Amendment. Campaign finance laws must recognize these constitutional considerations and uphold the principles of free speech. It is especially important to protect and promote the political speech that takes place in election campaigns, the purpose of which is to provide American citizens with the knowledge needed to make informed decisions on Election Day.

(2) Regulation should protect the political system from corruption or the appearance of corruption.

The regulations governing campaign finance should promote public confidence in the political process and ensure that the integrity of the electoral system is maintained. It is therefore essential that the system guard against corruption or the appearance of corruption in the financing of political campaigns. A system of political finance that fulfills this objective helps to ensure that elected officials are responsive to broad public interests and the desires of their constituencies.

(3) Regulation should ensure public accountability.

A goal of the campaign finance system should be full transparency of the funding of campaigns for public office, supported by the public's right to know. Elections allow citizen to hold candidates and elected officials accountable for their views and actions. If the major participants in political campaigns are to be held accountable, the public must have full and timely information about their campaigns.

I might add, Mr. President, one of the first amendments I proposed yesterday, which was adopted, concerned full and complete disclosure and using the Internet as part of that capability to do so.

Any system of campaign finance must therefore ensure full public disclosure of the sources of campaign funding, the activities undertaken with it, and the amounts raised and spent. Disclosure not only provides the electorate with the information it needs but also helps curtail excesses and promote full public scrutiny of financial transactions.

(4) Regulation should encourage public participation in the political system.

The strength of a democracy depends upon the political participation of its citizens. Citizens should be encouraged not only to vote but to participate in the process in other ways. Campaign finance rules should not discourage citizens from seeking elective office, associating with others, volunteering their skills and time, or participating in the financing of campaigns. Such participation enhances the legitimacy of the representative process and thereby strengthens popular support for the political system.

(5) Regulation should promote electoral competition.

The essence of democracy lies in competitive elections that offer voters a choice of candidates. Competition stimulates public interest in election campaigns, induces greater numbers of citizens to learn about the candidates, gives more meaning to elections, and encourages people to vote. It is an essential element in promoting the vitality and quality of political life. The regulation of campaign funding should therefore promote competitive elections by ensuring that candidates have an opportunity to obtain the resources needed to share their views with voters.

Mr. President, one reason I quote that is I think it is a very important statement as to what our goals should be in political campaigns. It lays out the basis for the first recommendation of the Committee for Economic Development. Their first recommendation is eliminate soft money.

We believe that, as a general principle, funds used to promote political candidacies should be subject to the requirements and restrictions of federal law on campaign finance. Soft money is the most egregious example of campaign financing that violates this principle. No reform is more urgently needed than the elimination of soft money.

Some business leaders have already taken action to help remedy this problem by refusing to participate in the soft money system. Most businesses in America do not give unregulated soft money funds to the political parties. Others, including such industry leaders as General Motors, AlliedSignal, and Monsanto, have recently declared that they will no longer make such contributions. They have been joined by dozens of corporate executives, who recognize the dangers to our system of government created by this type of fundraising.⁴⁹ CED supports these voluntary efforts to reduce soft money and lauds the leadership shown by these members of the

business community. We urge other business leaders, labor unions, and individual citizens to follow this lead and voluntarily work to reduce the supply of soft money funds.

There are ample opportunities for members of the business community to express their support for candidates or party organizations, either as individuals or through PACs. We encourage participation in the process in these ways. But there is no need for members of the business community, labor unions, or others to supplement these opportunities with soft money contributions. Participation in the soft money practices of the national party committees fuels the demand for soft dollars and spurs the arms race mentality that now characterizes party fundraising at the national level.

Voluntary efforts alone, however, will not solve the soft money problem. Potential donors will still face pressure from elected officials and national party leaders to make soft money contributions. We therefore believe that a legislative remedy is needed to end soft money. Specifically, we recommend that Congress prohibit national party committees, their officers or staff, and any organizations or entities established or controlled by national party committees or their personnel, from soliciting, receiving, or directing any contributions, donations, or transfers of funds that are not subject to the limitations, prohibitions, and public disclosure requirements of federal law. These committees and individuals should also be prohibited from spending any funds that are not subject to such restrictions and requirements. Similar prohibitions should be applied to federal officeholders, candidates, and their agents or staffs. In addition, federal officeholders or candidates should be prohibited from raising or spending soft money through personal PACs or so-called "leadership PACs." (An exemption, however, would be made for federal officeholders running for state or local office who are raising monies allowable under the relevant state law—e.g., a U.S. senator running as a candidate in a gubernatorial election.)

In short, national party committees, including the national congressional campaign committees, and federal politicians would not be allowed to raise and spend monies from unrestricted sources in unlimited amounts. We believe that this reform will greatly reduce the unregulated party money that is now flowing through the system.

This reform also would significantly simplify the rules governing party finance. National party committees would be allowed to raise only hard money. National party committees would no longer be able to raise or use corporate or labor union treasury funds or unlimited gifts from individuals and PACs. Their revenues would have to come from limited voluntary contributions from individuals, PACs, or other federally registered political committees, such as candidate campaign committees. There would no longer be a need for separate types of bank accounts or complex allocation rules for the financing of different types of party activity.

Taking national party committees, federal officeholders and candidates, and their agents and staffs out of the business of raising and spending soft money will change the relationship between donors and federal politicians. It will reduce both the incentive for donors to give in exchange for access and the pressure to give that is created by solicitations from national party leaders or elected officeholders. It will also prevent federal candidates from raising unlimited funds that can be used by party committees to benefit indirectly their own bids for office. We believe that this reform will substantially alter the incentive structure that encourages

soft money contributions. As a result, we expect the vast majority of this pool of funds, especially much of the money donated by the business community, to dry up. Most of this money came into the system only during the last two presidential cycles, largely in response to the aggressive fundraising practices of the national party committees. These donors are unlikely to aggressively seek out other means of pouring money into the system.

We recognize, however, that this recommendation could be circumvented. Federal officeholders and candidates could still engage in soft money fundraising by shifting their activities to the state level. Federal officials could help their respective state parties raise funds that are not subject to federal limits, and the state parties could in turn use these monies to finance activities, such as voter registration and turnout drives, that influence federal elections in their state. Such activities would diminish the benefits of reforms adopted at the national level.

We have carefully considered the proposal to close this "loophole" by extending federal regulation to any state party activities that might influence the outcome of a federal election and are financed by contributions not permitted by federal law. But we are very troubled by the prospect of using federal rules to govern state party political finance, especially when these committees are acting in conformance with the laws adopted by the people of their states. Such an approach raises troublesome issues regarding the principle of federalism and the scope of Congress's authority to legislate in this area. Accordingly, we conclude that this issue is most appropriately handled by the states. We therefore urge state legislatures to pass any legislation necessary to ensure that state party committees cannot finance their activities from unrestricted or undisclosed sources of funding.

We recognize that a ban on soft money will have a significant effect on the resources available to national party committees and may diminish their role in the electoral process. Soft money represents a substantial share of party revenues and is used to finance many of the costs directly related to the parties' activities, ranging from staff salaries and overhead expenses to voter registration and mobilization efforts. The loss of soft money is likely to reduce such party activities and would require that parties pay more of their administrative and political services costs from funds they raise under federal limits. This, in turn, may lead to a reduction in the amounts of money available for candidate support or voter turnout efforts. Since parties are the only source of private funding (other than personal contributions or loans) that favors challengers, a significant reduction in party resources is likely to decrease the resources available to challengers. It is also likely to reduce the amounts available for voter identification and turnout programs. We believe that these party activities play a valuable role in enhancing the competitiveness of elections and encouraging citizen participation.

To partially compensate for this loss, we recommend a change in the rules limiting individual contributions to federal candidates and political committees. Under current law, individuals are limited to an annual total of \$25,000 for all contributions made to federal candidates, PACs, and party committees. We propose that Congress establish two separate aggregate limits for individuals. The first would limit the total amount contributed by an individual to federal candidates and PACs to \$25,000 annually. The second, separate ceiling would limit the total amount contributed by an individual to national party

committees to \$25,000 annually. This change will allow parties to raise more regulated money from individuals than is permissible under current federal law.

Mr. President, how did we get to where we are in this soft money? I think probably one of the best depictions of it is also in chapter 3 of the CED's report. I quote:

Efforts to regulate the flow of campaign money often produce unintended and unforeseen consequences. Candidates and their staffs, as well as party committees and interest groups, have responded to regulation with imaginative innovations, producing new financial practices unanticipated by lawmakers. The law has also been interpreted by the courts and administrative agencies in unexpected ways, producing new directives that also have encouraged new financial strategies. Both these developments have dramatically increased the flow of money in federal elections and significantly undermined the effectiveness of our federal campaign finance laws.

Soft money was not recognized as a form of party finance under the original provisions of FECA. In fact, FECA contained only one narrow exception to the party contribution limits. Parties could receive contributions in unlimited amounts from unlimited sources for "building funds" established to pay for new buildings or headquarters structures. Outside of this "bricks and mortar" provision, all monies received by parties were subject to federal limits.

By 1980, the year of the second presidential election conducted under FECA, these tough prohibitions on party receipts and expenditures had begun to erode, and the door had been opened to unregulated party financial activity. This occurred as a result of problems experienced in the 1976 election and administrative decisions of the Federal Election Commission (FEC) that altered the kinds of money parties could raise.

In the 1976 election, party leaders quickly recognized that the activities they traditionally financed in conjunction with national elections were significantly hindered by the new system of public financing and spending limits for presidential campaigns. Under the new law, expenditures by a party to help the presidential ticket might be considered in-kind contributions to the candidate or election-related expenditures that were no longer allowed. Parties therefore looked to the presidential campaigns to fund much of the paraphernalia used in traditional volunteer activities, such as signs, bumper stickers, and buttons, as well as voter registration and turnout activities. But the presidential campaigns, now faced with limited funds and wanting to maximize the resources available for television advertising, did not allocate substantial amounts to these other activities that parties considered important. As a result, party leaders appealed to Congress after the election to change the law so that they could finance volunteer and party-building activities without risking a violation of the law.

Congress responded to these concerns and in 1979 amended FECA to exempt very specific, narrowly defined party activities from the definitions of "expenditure" and "contribution" contained in the Act. Thus, parties were allowed to spend unlimited amounts on grassroots, party-building activities and generic party activities such as voter registration and turnout drives. They were also permitted to spend unlimited amounts on such traditional campaign materials as bumper stickers, buttons, and slate cards. But the Congress did not change the rules on party fundraising: the monies spent on these activities had to come from "hard

money" donations subject to federal contribution limits. Congress also specified that none of these unlimited expenditures could pay for mass public communications, such as direct mail or television advertising.

At the same time that Congress was making these changes in the law, party officials were asking the FEC to decide another set of issues related to general party activities. The parties argued that their organizations were involved not only in federal but also in non-federal election activity, such as supporting candidates in state-level races and building party support at the state and local level. Furthermore, many generic party activities, such as voter registration and turnout drives, are conducted to help both federal and non-federal candidates. The parties therefore contended that the finance rules should recognize the non-federal role of party organizations and allow parties to partially finance their political activity with monies subject only to state laws.

The FEC responded to these questions with a series of ruling that recognized the non-federal role of state and national party organizations. These rulings allowed parties to finance a share of their activities with money raised under state law if they maintained separate accounts for federal and non-federal funds. Subsequent rules established complex allocation formulas that determined the shares of particular expenditures that had to be allocated to federal and non-federal accounts.

Thus was born the distinction between "hard" and "soft" money. Hard (federal) money is subject to federal contribution limits and is the only type of funding that can be used to support federal candidates directly. All contributions to federal candidates, coordinated expenditures, or independent expenditures made in federal contests must use hard money. Soft (non-federal) money is exempt from federal limits and can be used to finance general party activities, including such activities as voter registration drives, even though these activities may indirectly influence federal elections, for example, by encouraging more party members to vote.

The FEC's decisions essentially freed parties to engage in unlimited fundraising as long as they abided by the technical requirements of the law. They could now raise (and spend) monies obtained from sources that were banned from participating in federal elections or from individuals and PACs that had already donated the legal maximum. These changes in the rules thus gave parties a strong incentive to raise soft money.

THE GROWTH OF SOFT MONEY

Parties quickly adapted to the new regulatory environment. At first, soft money was primarily raised in presidential election years for use on voter registration and turnout operations. But the parties soon expanded the role of soft money by expanding the range of activities that could be paid for with these funds. They also began to raise soft money more aggressively, soliciting ever larger sums.

Since 1980, soft money has grown rapidly. In 1980, the Republican and Democratic national party committees spent a total of about \$19 million in soft money, with the Republicans disbursing \$15 million and the Democrats \$4 million. Much the same pattern existed in 1984. By 1988, however, the amount of soft money had more than doubled to \$45 million, shared about equally between the two major parties. By 1992, soft money had almost doubled again to \$80 million, with the Republicans spending \$47 million to the Democrats' \$33 million.

Yet the soft money raised in those elections pales in comparison to that raised in

1996 and 1998. In the Presidential election cycle of 1996 the two major parties raised \$262 million in soft money, more than three times the amount garnered only four years earlier. (See Figure 5.) The Republican committees solicited more than \$138 million and the Democratic committees \$124 million. In contrast, hard money increased much more slowly. Democratic hard money increased by 59 percent over 1992, and Republican funds by 71 percent.

Similarly, soft money fundraising in 1998 was up dramatically over the previous off-year election cycle of 1994. As of 20 days after the election, the national party committees had raised \$201 million in soft money, close to twice the \$107 million they had raised in the entire 1994 election cycle. The Republicans had raised \$111.3 million, compared with \$52.5 million in 1994, an increase of 112 percent; the Democrats had raised \$89.4 million, 82 percent more than the \$49.1 million four years earlier.

The share of total party funds represented by soft money has also increased substantially. In 1992, for example, soft money constituted 26 percent of the receipts of all three Democratic national party committees. By 1998 the soft-money share had risen to 37 percent. For the three Republican national party committees, the proportion rose from 20 percent to 29 percent during the same six years.

THE SOURCES OF SOFT MONEY

Soft money has grown rapidly because both parties have been increasingly successful in soliciting large soft money gifts. Since at least 1988, both parties have had organized programs to recruit large donors. In 1992, for example, the DNC and RNC raised a total of \$63 million in soft money, about 30 percent of which came from contributors of \$100,000 or more. The parties have also been successful in soliciting major contributions from corporations and, primarily in the Democratic Party, labor unions. The parties have thus succeeded in gaining access to contributions from sources and in amounts that were prohibited by the campaign finance reforms of the 1970s.

According to an analysis by the FEC, the parties have raised an increasingly large number of contributions in this manner. During the 1992 election cycle, the national party committees' soft money accounts accepted at least 381 individual contributions in excess of \$20,000 (the annual federal party contribution limit) and about 11,000 contributions from sources that are prohibited from giving in federal elections, particularly corporations and labor unions. By the 1996 election cycle, these figures had more than doubled. The national party committees received nearly 1,000 individual contributions of more than \$20,000 and approximately 27,000 contributions from sources prohibited from giving hard money.

The business community is by far the most important source of soft money, as shown in Table 5 (page 26). According to one independent analysis, businesses provided \$55.9 million of the \$102.2 million in soft money received by national party committees during the 1994 election cycle. In 1998, these organizations had donated more than \$105 million of the more than \$200 million received through October. The vast majority of this money came from corporations rather than trade associations or other incorporated organizations. These figures do not, of course, include individual contributions made by members of the business community.

A substantial share of this money came from large contributions. In 1998 at least 218 corporations donated more than \$100,000, compared with 96 that gave this amount in 1994. Sixteen corporations gave \$500,000 or

more, whereas only four gave at this level four years earlier.

Further evidence of the role of business contributions in the growth of soft money is found in a 1997 analysis conducted by the Los Angeles Times, which found that soft money donations made by the 544 largest public and private U.S. companies had more than tripled between 1992 and 1996, growing from \$16 million to \$51 million. In comparison, the contributions made by PACs, maintained by these companies rose only from \$43 million to \$52 million.

The largest soft money donors tend to be companies or industries that are heavily regulated by the federal government or those whose profits can be dramatically affected by government policy. For example, according to the Center for Responsive Politics' analysis of 1996 donors:

"Tobacco companies and their executives, who have faced concerted federal efforts to strengthen the regulations governing tobacco sales and advertising, as well as the possibility of congressional action to settle ongoing lawsuits, gave a total of \$6.83 million in 1996, with \$5.77 million donated to the Republicans and \$1.06 million to the Democrats. This group was led by Philip Morris, which donated the most soft money of all contributors in 1996, giving a total of about \$3 million, \$2.52 million of which went to the Republicans. RJR Nabisco gave a total of \$1.44 million, with \$1.18 million going to the Republicans."

There is a study by Professor Kathleen Jamieson of the Annenberg School at the University of Pennsylvania, in which she describes not only the political contributions of the tobacco companies but the amount of lobbying fees which, according to her, is the most in the history of American politics.

I will be reading that and inserting it in the RECORD at the proper time. It goes on to list a number of the large contributions.

Finally, the effects of soft money on the political system. This is the view, of course, of the CED:

The rise of soft money has greatly increased the flow of money in national elections and has turned party fundraising into a frenetic and never ending chase for large contributions. As the range of party activities financed with soft money has increased, party organizations have engaged in more aggressive and directed efforts to raise soft dollars. The parties therefore have sought ever larger amounts from soft money donors and have pursued new sources of soft money contributions, especially among members of the business community.

One of the primary ways parties obtain very large contributions is by providing donors with access to federal elected officials. The most highly publicized and controversial example of the access and privilege afforded soft money donors is the use of the White House during the 1996 election cycle as a venue for dinners and other events with President Clinton. While money was not raised at these events, they were clearly designed to reward past soft money donors and stimulate future contributions. Published reports of these sessions sparked a controversy that raised serious questions as to whether access to the White House was for sale and fueled public cynicism about the influence enjoyed by wealthy contributors. Further examination of the Democratic Party's public disclosure reports revealed that the Democratic National Committee had deposited at least \$3 million in illegal or questionable contributions into their soft money accounts.

The Democratic Party's 1996 fundraising activities, however, are only one example of the consequences of unrestricted party fundraising. In recent years, both major parties have offered soft money donors access to elected leaders in exchange for contributions. White House officials and congressional leaders have been asked to appear at party soft money fund-raisers, participate in party-sponsored policy briefings, attend weekend retreats with donors, and play a role in other small group meetings. Elected officials have even been recruited by the party committees to solicit soft money donations from potential contributors, especially from their own financial supporters and others with whom they have relationships.

Federal officeholders have thus assisted their parties in raising funds for issue advocacy advertising, voter registration, election day turnout drives, and other activities that directly benefit their own campaigns for office. They have also participated in fundraising efforts directed at donors whose interests are directly influenced by federal policy decisions. Such activities place undue pressure on potential donors. Businesses, in particular, are induced to contribute to keep up with their competitors or ensure their own access to lawmakers.

Given the size and source of most soft money contributions, the public cannot help but believe that these donors enjoy special influence and receive special favors. The suspicion of corruption deepens public cynicism and diminishes public confidence in government. More important, these activities raise the likelihood of actual corruption. Indeed, we believe it is only a matter of time before another major scandal develops within the soft money system.

Mr. President, I have often said that the scandal in Washington in 1996 was not Monica Lewinsky. The scandal in Washington was a debasement of virtually every institution of government carried out by the Clinton administration when the Lincoln Bedroom was rented out, when access to the President—I think it was Mr. Chung who said the White House is like the subway: You have to put in money in order to open the gates.

I have a memo that is a public document. It is a memo from the Democratic National Committee to the White House that lists activities to be coordinated with the White House by the DNC for \$100,000 givers and says—I think it is the third or fourth item on the list—seats on official trade missions. That was the scandal in Washington, and the ongoing scandal, of course, is the failure of the Attorney General to pursue these very well documented allegations.

I do agree with the CED when they say at the end: "Indeed, we believe it is only a matter of time before another major scandal develops within the soft money system."

That is what we are trying to prevent. We had a spirited debate yesterday about this issue, and I tried to point out that I think these huge amounts of money have made decent and good people do things they should not otherwise do. That is an example which should be cited in these scandals I just described in the 1996 Clinton-Gore campaign.

We have to try to restrain the system. I am fully aware it will never be

completely the kind of system we want it to be, but I also will at a later time, because I have been talking a long time, chronicle that throughout American history we have had cycles. We have had cycles where the system has been cleaned up, as Teddy Roosevelt was able to do in 1907. I continue to quote extensively from him and read him as he talks about the corrupting influence of the robber barons at the turn of the century.

Then we had, of course, the scandals of 1974 which caused us to clean up again. And if we succeed in cleaning up this system 10, 15, or 20 years from now, we will be back—maybe not me, maybe not RUSS FEINGOLD, maybe not Senator MCCONNELL or Senator BENNETT, but there will be others who will be back because we know that money in politics flows like water through cracks.

What I read was how we had gone in the 1970s from a virtual nonexistence of the so-called soft money to the point where we are now awash in it. Sooner or later we will clean this up, and then sooner or later, unfortunately, it will need cleaning up again. That is why legislatures do not go into session and adjourn permanently.

In 1986, we cleaned up the Tax Code. We did a good job. We took 3 million Americans off the tax rolls, something I think overall, despite some flaws associated with it, was a good bill. We need to clean up the Tax Code again. It is now 44,000 pages long. We need to change it from the cornucopia of good deals for special interests and a chamber of horrors for average American citizens.

Why should a lower- or middle-income American have to go to an accountant to fill out their tax return? Why is it that it is 44,000 pages long? Why is it that we cannot break the grip of the teachers unions to reform education? Why is it we cannot come together reasonably and give patients who are members of HMOs decent, reasoned, balanced rights? Why is it that we cannot restructure the military so we can meet the challenges of the future we face in the next century? Events around the world have, again, amply demonstrated, such as in Pakistan, we ought to be able to cope with some very serious challenges in the next century in the military, but we cannot restructure it. It takes 2 months to get 24 Apache helicopters from Germany to Albania. They train and crash two, and we never use them in the conflict.

We need to move forward on this issue. We need to do it, and I hope the sponsors of the amendment that is presently under consideration will recognize this is the same amendment which stalled us out last time. I believe we can make progress by moving forward with an amending process which requires votes which requires debate. I believe we can do that.

I commend to my colleagues, particularly on my side of the aisle, who

are involved with the business community, this little booklet. Major executives, major corporations in America have become sick and tired of being sick and tired. I cannot tell how many of them have told me—and I am sure they have told my colleagues privately—they are tired of the phone calls, they are tired of being dunned, they are tired of being called upon to give to both parties.

Senator MCCONNELL said yesterday, in response to the comment that the major corporations now give to both parties, they have a right to be duplicitous.

I do not deny him that right to be duplicitous. I hope we could arrange a system where they do not feel they have to be duplicitous. That is what this object is all about.

Mr. President, I thank my colleagues for their patience and I yield the floor.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, there are a number of Republican Senators anxious to offer amendments, and I would like to create an environment in which people can come over, offer their amendment, discuss it, and lay it aside.

Senator BENNETT has been sitting here patiently for some time. He and Senator BURNS have an important amendment related to the Internet.

Therefore, I ask unanimous consent the pending two amendments be laid aside in order for Senator BENNETT to offer an amendment, along with Senator BURNS, regarding Internet free speech, and that no second-degree amendments be in order prior to a vote in relation to the amendment. I further ask—

Mr. REID. Reserving the right to object.

Mr. MCCONNELL. Could I finish?

I further ask consent that the vote occur on or in relation to the amendment at 5:30 p.m., on Monday, and there be 5 minutes, equally divided, for closing remarks just prior to the vote, and following the debate today, the amendment be laid aside until that time.

The PRESIDING OFFICER. Is there an objection?

Mr. REID. Reserving the right to object, and I will object, I say to my friend from Kentucky, these amendments can still be offered, but we think they should not be offered to the two amendments that are pending.

The PRESIDING OFFICER. Objection is heard.

Mr. MCCONNELL. Mr. President, what we have is a debate that is proceeding in such a way that amendments are not being allowed.

One of the things we talked about this year, and Senator MCCAIN indicated he wanted, was an open debate, in which Senators would be able to lay down their amendments, get debate, and get votes.

I say to all of my colleagues, we have Senator BENNETT and Senator BURNS here with a very important amendment they would like to get offered. Senator SESSIONS is on the floor. He has an amendment he would like to offer. Senator THOMPSON and Senator LIEBERMAN have an amendment they would like to offer. Senator NICKLES has an amendment he would like to offer; Senator HATCH, in all likelihood. Senator HAGEL has indicated he may be offering an amendment, as well.

We have an opportunity here to lay down and discuss these amendments, lay them aside, and guarantee these Senators an opportunity to vote.

I am somewhat confused about where we are. I thought the whole idea behind having 4 or 5 days of debate, I would say to my friend from Arizona—although he did not object; it was the assistant minority leader—I guess I am perplexed about where we are. I would like to protect the opportunity of my colleagues on the Republican side to offer amendments about which they feel strongly about.

Mr. MCCAIN addressed the Chair.

Mr. MCCONNELL. I am going to retain the floor, but I will be glad to yield for some observation.

Mr. MCCAIN. Will the Senator from Kentucky yield to me?

First of all, I believe we should move forward and have amendments. I would like to discuss it with all of us discussing it, go into a quorum call in a second, if we might.

First of all, I would like to frame a parliamentary inquiry very quickly.

Mr. President, if an amendment in the nature of a substitute were to be offered, how many votes would be needed to affirmatively adopt the amendment?

The PRESIDING OFFICER. Will the Senator restate his question?

Mr. MCCAIN. If an amendment in the nature of a substitute were to be offered, how many votes would be needed to affirmatively adopt the amendment?

The PRESIDING OFFICER. Is the Senator asking in terms of a simple majority?

Mr. MCCAIN. I am asking, if an amendment in the nature of a substitute—

The PRESIDING OFFICER. A simple majority would be required.

Mr. MCCAIN. If such an amendment were adopted, and it contained a new rules change, how many votes would be required to invoke cloture?

The PRESIDING OFFICER. Sixty seven, if 100 Senators are voting.

Mr. MCCAIN. During consideration of the pending, underlying legislation, would such an amendment be in order?

The PRESIDING OFFICER. Yes.

Mr. MCCAIN. My point is, a little parliamentary tactic was played early yesterday which did not start things off in the manner which we had sort of hoped it would—that a rule was adopted that now requires 67 votes. But as most parliamentary tactics, it can be negated by a simple substitute amend-

ment that could be propounded by any Senator, which amendment, in the form of a substitute, would then negate the rule change, which then would bring us back to the position that we are of 60 votes.

So I say to my friend from Kentucky, when we agree to further amendments or we agree to his unanimous consent request—which none of us has seen, which the Senator did not take the time to show me—we have to be a little bit careful and cautious as to what we agree to.

So I want to move forward. I want to move forward with amendments. I will be glad to go into a quorum call and sit down with all of the Senators present on the floor and see if we can't work something out.

Mr. MCCONNELL. Do I have the floor?

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. MCCAIN. I still have the floor.

Mr. MCCONNELL. I believe I did not yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky yielded to the Senator from Arizona for a question.

Mr. MCCAIN. No. I asked if the Senator would yield. I did not ask if the Senator would yield for a question.

Mr. MCCONNELL. He did not ask me to yield the floor, and I did not yield the floor, Mr. President.

The PRESIDING OFFICER. That is correct.

Mr. MCCONNELL. Mr. President, might I suggest a solution to the problem of my friend from Arizona. He might want to look at the amendments. If he does not find them offensive, maybe he would want to give his Republican colleagues an opportunity to lay down their amendments, to discuss them, and lay them aside, with the understanding that, obviously, they would get a vote at someplace down the road, unless they were filibustered.

I would ask my friend from Arizona, what would be wrong in taking a look at the amendments, one by one, and if they met the Senator's approval, maybe he would give our Republican colleagues an opportunity to have some votes?

Mr. MCCAIN. If the Senator would allow—

Mr. MCCONNELL. I yield for a question.

Mr. MCCAIN. I cannot ask you a question. I can only answer. You can yield the floor, and I will be glad to yield the floor back.

Mr. MCCONNELL. I do not yield the floor, but there must be some way for the Senator from Arizona to express himself. I will be glad to yield to him for a question.

Mr. MCCAIN. I will try to frame it as a question.

Is the Senator aware that up until half an hour ago we were not allowed to see the amendment nor have we been able to see your proposed unanimous consent request—we were not allowed to look at it. Now we have a

chance to look at it. We would be glad to look at it, but I still say, if the Senator from Kentucky wants to really move forward, then we go into a quorum call, we sit down, as has been my habit in 13 years on the floor here, and see if we cannot work out an agreement. If we cannot, then we will not. But that is the way we usually do it.

I want to assure the Senator from Kentucky that, from my viewpoint, as long as we are protected, as long as we can make sure this is a straightforward process, then I am eager for additional amendments to be considered when debate on this particular amendment has been consumed.

Mr. President, I suggest the absence of a quorum.

Mr. MCCONNELL. I believe I have the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. MCCONNELL. Might I suggest the Senator from Arizona and the Senator from Montana and the Senator from Utah have a discussion about this while I make some remarks. Maybe the Senator from Arizona might be satisfied that there is no chicanery afoot here between the Senator from Utah and the Senator from Montana. Might I suggest to the Senator from Arizona, since the objection came from the assistant Democratic leader, you might want to include him in the discussion.

Mr. REID. Will the Senator yield for a question?

Mr. MCCONNELL. I yield for a question.

Mr. REID. I say to my friend from Kentucky, in response to a question asked by the Senator from Arizona, the Senator stated to me—and it was reported in the press this morning—that the Senator yesterday, in the effort with the amendment for a rules change, has indicated that the intent of the Senator from Kentucky was to change the rule, not to change the number of Senators it would take to invoke cloture in this matter. The Senator has stated, as I said, publicly and stated to me personally that in this matter we would only need 60 votes.

Is that what the Senator said?

Mr. MCCONNELL. That is exactly what the Senator said. I am not prepared to withdraw that yet, as Senator MCCAIN indicated that that could be displaced, in any event, by some substitute, which the Senator from Nevada has already offered. I reject the notion that there is some devious notion at work. Besides, I don't even want to get into that. The only issue before us, I say to the Senator from Nevada, is whether or not we can get consent to have some other Senators take advantage—we have had all this discussion about having an open debate on campaign finance reform. We can't even get amendments laid down for discussion. We are not talking about controversial amendments, I don't think. People do have the option to vote against them.

Mr. REID. Will the Senator yield for a question?

Mr. MCCONNELL. I yield for a question.

Mr. REID. I say to my friend, the Senator has indicated there are two amendments the Senator wishes, he and/or his colleagues, to file today. I have stated that as far as the two amendments pending, one by Senator DASCHLE and one by this Senator, we would not agree to set those aside. However, the record is quite clear; there are two spots still open in the tree that these Senators could file their amendments any time they want today. All they need is recognition.

Mr. MCCAIN. Will the Senator from Kentucky yield again for a question?

Mr. MCCONNELL. Mr. President, I would like to make a parliamentary inquiry with respect to the amending process in relation to what the Senator from Nevada just suggested. Is it true that a first and second-degree amendment are pending, as offered by the minority leader and the assistant minority leader, that would take consent to lay aside?

The PRESIDING OFFICER. Yes, the Senator is correct.

Mr. MCCONNELL. Is it true that although two additional amendment slots are available to offer amendments, if amendments were offered and agreed to, and an amendment offered by the minority leader was subsequently adopted, the action taken on the two additional amendment slots would, in effect, become moot?

The PRESIDING OFFICER. The Senator is correct.

Mr. MCCONNELL. With this record now made by the Chair, I regret that our Democratic colleagues are blocking amendment consideration during this campaign finance reform bill. What we are trying to do is to give Republican Senators an opportunity to offer amendments. If I understand the Chair correctly, where we are is that without consent, either from the assistant Democratic leader or the Senator from Arizona, my Republican colleagues are not going to be able to offer an amendment.

Mr. MCCAIN. Will the Senator yield for a question?

Mr. MCCONNELL. I will yield for a question.

Mr. MCCAIN. I want to tell the Senator that the Senator from Montana and the Senator from Utah and I and the Senator from Wisconsin are in agreement that an amendment by Senator BENNETT and Senator CONRAD would be in order, unless the Senator from Wisconsin has additional comments about the pending amendment, but that it is also proper and appropriate to continue the debate until finished on the pending amendment and that, of course, we would like to make sure that any unanimous consent agreement we are in agreement with. I hope the Democratic leader would also agree with that approach to the pending business because I am not in any way in disagreement with the view of the Senator from Kentucky that we need to move forward with the process.

Mr. MCCONNELL. I thank the Senator from Arizona. Maybe I should make the consent request again.

I ask unanimous consent that the pending two amendments be laid aside in order for Senator BENNETT and Senator BURNS to offer an amendment regarding Internet free speech and that no second-degree amendments be in order prior to the vote in relation to the amendment. I further ask consent that the vote occur on or in relation to the amendment at 5:30 p.m. on Monday, and that there be 5 minutes equally divided for closing remarks just prior to the vote and, following the debate today, the amendment be laid aside until that time.

Mr. REID. Reserving the right to object, Mr. President.

Mr. MCCAIN. Reserving the right to object—

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, the amendment, which I personally haven't seen, but I am sure has been shared with the staff, we have not had an opportunity to discuss, to even show the amendment to the ranking member of the Commerce Committee, the ranking member of the Judiciary Committee, both of whom are tremendously interested in anything dealing with the Internet. First of all, to lock in a time, that is something we couldn't do.

Secondly, I say to my friend from Kentucky, there are no more votes until 5:30. That is an announcement made by the majority leader. So we are not stopping anyone from voting. That decision has been made by the majority. We would have been happy to stay and vote. I have been here the last several days anyway. If there had been some notice there would be votes, other people would be here.

I say there is ample opportunity to talk about any of these issues in whatever length anyone cares to. We have a vote scheduled at 5:30 on a judicial nomination or whatever the majority leader decides. We have cloture votes that are going to take place on Tuesday. I think we have plenty to do on this.

I might say in passing that I think now the majority knows how we feel all the time when we can't offer amendments to pending legislation. On this legislation, we have two amendments that have been filed: One dealing with the Shays-Meehan legislation, and one dealing with the so-called soft money amendment. That is what this debate is all about. That is what it should focus on. Objection is heard.

The PRESIDING OFFICER. Objection is heard.

Mr. MCCONNELL. Let me try another approach, if I may. I heard the distinguished assistant Democratic leader say the time was a problem. Let me try it a different way.

I ask unanimous consent that the pending two amendments be laid aside in order for Senator BENNETT and Senator BURNS to offer an amendment regarding Internet free speech, and that

following the reporting by the clerk, the amendment be laid aside.

Mr. MCCAIN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I reserve the right to object. I will not object. I think it is important that we move forward. I think there are Senators on the floor who want to propose amendments and who want to debate. I want to say—perhaps this is the only time in this entire debate the Senator from Kentucky and I are in total agreement—that we should allow an amendment by Senator BENNETT and Senator BURNS, even if I am not in agreement with that amendment. I think it is very destructive of the entire proposition with which we began this debate, and that is that we would allow amendments and votes. I do not object.

Mr. REID. Reserving the right to object, Mr. President, I say this: These amendments can be offered. There is no question they can be offered. It has already been indicated that they be offered. There are two spots still open on the tree. Objection is heard.

The PRESIDING OFFICER. Objection is heard.

Mr. MCCONNELL. Mr. President, I am told by the parliamentary experts who serve us that to amend the rest of the tree is essentially a waste of time. So as a practical matter, what our Democratic colleagues are doing is preventing Republicans from offering amendments. This has the result of putting us back to the way we have handled this in the past, which the Senator from Arizona and I thought the other side had agreed we would not do this time, which was to allow amendments. The practical effect of where we are now is we are going to have two cloture votes, which is the way this issue has been dealt with in recent years, and it prevents Senators from offering amendments, having them debated, and having them voted on. I think that is unfortunate.

Mr. President, on the substance of the issue, unless there is some change of heart on the part of my good friend from Nevada, and I see he, with a determined look on his face, has taken his seat, I assume the last word on that issue has been uttered.

Mr. MCCAIN. Could I prevail one more time on the Senator from Kentucky to yield for a question?

Mr. MCCONNELL. I yield for a question.

Mr. MCCAIN. According to the parliamentary exchange that I heard between you and the President, the Senator from Utah still can offer an amendment; is that correct?

Mr. MCCONNELL. He can offer an amendment, but if their amendment were adopted, his is wiped out. What I am told is it, in effect, makes the offering of the amendment an exercise in futility. That is what I am advised.

Mr. MCCAIN. By the brains?

Mr. MCCONNELL. Yes, by our super-Parliamentarian.

Mr. MCCAIN. I thank the Senator for his response.

Mr. MCCONNELL. I thank the Senator from Arizona for being willing to let our colleagues offer their amendments. Let me repeat, where that leaves us is we have been shut out, as a practical matter, by the other side and denied an opportunity to offer important amendments that many of us believe would have improved this bill.

I want to encourage Senator BURNS and Senator BENNETT, who are on the floor, to go ahead and say what they would have done had they had the opportunity to do it. I think this is a very constructive amendment, and if they will just indulge me for one moment, I will yield the floor, and I hope they get an opportunity to discuss the amendment they would have offered had they had an opportunity to do so.

Mr. BURNS. Will the Senator yield for a question?

Mr. MCCONNELL. I yield for a question.

Mr. BURNS. Mr. President, I assume we will have a vote on the Democratic amendment; is that correct?

Mr. MCCONNELL. There are two cloture votes. The Democratic leader laid down what is typically referred to as Shays-Meehan, the bill that passed the House. The assistant Democratic leader second-degreed that with the underlying "McCain-Feingold lite" and filed cloture on both.

Under the rules of the Senate, those votes would occur Tuesday morning. The dilemma we now have is, we are in a position where colleagues on our side of the aisle are unable to offer amendments.

What I suggest to my friend from Montana is—

Mr. BURNS. Once the cloture vote has been taken and cloture is not agreed to, then what happens?

Mr. MCCONNELL. I believe the Republican leader will have concluded that, after 5 days of this debate, we would go on to other matters before the Senate. From a parliamentary point of view, we will be right where we are now if cloture is not invoked. So all that will have happened is, Senators such as you and the Senator from Utah will have been denied the opportunity to offer amendments.

Mr. BURNS. Will we move off this issue and go to another issue?

Mr. MCCONNELL. That is my understanding. The majority leader has other important matters he would like the Senate to turn to after Tuesday. That is his decision.

What I suggest to both of the Senators, who have been waiting patiently, is to describe the amendment that would have been offered had the Senator been given an opportunity to do so, and put that in the RECORD. Maybe at some point between now and Tuesday, there will be some change of heart. But I think we ought to say to the Senate what the Senator wanted to be able to do had he been permitted.

Mr. BURNS. I have a very short statement on that. I will yield to the

advice of the Senator from Kentucky and also yield to my good friend from Utah as to what he would like to do.

Mr. MCCONNELL. Mr. President, I yield the floor.

Mr. BENNETT. Mr. President, I don't have a time schedule today. I will spend the entire weekend in the Washington area. My friend from Montana has an airplane to catch, so I am happy to step aside and let him make whatever statement he wants to make and delay my comments until he has finished.

Mr. BURNS. I thank my friend from Utah.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. I thank the Chair.

The amendment that was crafted by Senator BENNETT and myself is a very important amendment regarding this business of freedom of speech and how it is connected to the issue of campaign finance reform. What the amendment actually says is that citizens who use the Internet to express themselves politically are not subject to "Big Brother" policing imposed by the Federal election bureaucrats. The amendment simply prevents the FEC from defining political communications by individuals over the Internet as campaign contributions.

I thank my friend from Utah for his input when we crafted this amendment. I should emphasize to my colleagues that this amendment is very narrow in scope and covers only individuals who don't receive compensation for their Internet communications. I think that is very important—individuals who do not receive compensation for their Internet communications. Further, these individuals cannot solicit political contributions using the Internet.

If an American citizen feels strongly enough about a candidate or an issue to create a web site to express his views, he should not be subject to oversight by the Federal Election Commission. Free expression is the founding principle of this country.

Currently—and not a surprise to those of us who have seen the explosion of the Internet—there are 90 million Americans who use the World Wide Web to access information, e-mail, and other services every day. Undoubtedly, many of these communications are political in nature. Are we to expect the FEC to somehow monitor and regulate all of this political dialog? To me, that is a very chilling scenario.

I myself use the unique capabilities of the Internet for a host of things—to communicate with my constituents, for services. We have a web page that allows my constituents access to my office electronically. Every week, I do a "cybercast" from my web site, where I answer questions posed to me by my constituents from Montana and across the country.

By the way, once you go on the web, you are everywhere. Just yesterday, in my cybercast, I commented on the tremendous, productive debate that has

resulted from the increased use of this great thing we call the Internet. It allows any individual to become a publisher and have the same access in the marketplace of ideas as the largest political party, or corporation, for that matter.

We have seen the leveling of marketing because one person with an idea for a service or goods can now go on the web and take on the largest corporations and be successful. That is what makes it a very powerful tool.

We have seen spectacular growth result from the upward spiral of the Internet. A recent Commerce Department study has indicated that over a third of the U.S. increase in gross domestic product since 1995 is directly traceable to information technologies and, in particular, the Internet. Small businesses and individuals have used those capabilities of this new tool to tap into global markets and compete directly with large corporations.

Even more important than the raw economic numbers, however, is the flowering of the discussion of ideas that has been fostered by the Internet. Whether on web sites, chat rooms, or e-mail, the revolution in information technology has resulted in the ongoing, vigorous, sustained debates on the critical issues that now face our country.

A year ago, I was in China and there, too, as the capability grows, the Internet grows—not as fast as we have experienced here in this country, because of infrastructure more than anything else, but it is growing. And with it is a growing fear in that country where the Government controls every aspect of information; the fear of the freedom of flow on the Internet is very real.

The Internet uniquely provides the ability for any individual to express his political beliefs, and we think that should not be infringed upon. To limit free speech of individuals in the very country that created the Internet is as dangerous as it is misguided. As chairman of the Senate Communications Subcommittee, and cochairman of the Internet Caucus, I have been convinced time and time again of the folly of trying to regulate the Internet.

Government should not impose burdensome regulations on political speech on the Internet, or any other medium. Instead, the Government should act to keep the Internet and those medium outlets a free speech zone.

I urge my colleagues, if this amendment sees the light of day and comes to this floor, to adopt this amendment as part of the ongoing reform.

I thank the Chair. I thank my good friend from Kentucky.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, before my friend from Montana leaves for Montana, he can offer his amendment. The Senator from Utah can offer his amendment to two slots to which I previously referred. If they are subse-

quently adopted, they could try to defeat, of course, the Daschle-Reid amendments by votes, or after the Reid amendment is disposed of, they could still offer their amendments to the Daschle amendment. In short, there are occasions in the Senate when it doesn't work by majority rule but most of the time majority rules. In this instance, the majority rules. All they need to do is pass this amendment and defeat the Reid-Daschle amendment.

It is a very simple procedure. They can offer their amendments. They not only can talk about them but they can offer both of them.

Remember the procedure we are now working under. There will be no votes this day or on Monday until 5:30. We will come in sometime Monday. There will be further discussion on this bill. There are people on my side of the aisle, on the minority side, who still want to talk about the bill.

Also, there has been some talk about pulling down this bill on Tuesday. Of course, it is 5 days. I know the majority leader recognizes the fifth day is on Wednesday. But also, you can't automatically go to something else. It takes, again, a majority vote to do that.

As I have indicated, all they need are majority votes to adopt the Burns amendment and the Bennett amendment and have a majority vote to go to some other issue rather than campaign finance reform.

We are operating, we think, in good faith. There are still two spots to offer their amendments. If there are two Senators who wish to offer their amendments, they can certainly do that.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, as a practical matter, I repeat what I said earlier. The offering of amendments to the rest of the tree would be a waste of time. Several of the amendments my colleagues want to offer would not be germane postcloture.

We are, as a result of the actions of the other side, on a glidepath to two cloture votes on Tuesday. But we will have an opportunity to discuss amendments that would have been offered could they have been offered and that would have been offered, if this parliamentary situation would have allowed it.

I encourage, in addition, Senator BURNS, who has already talked about his amendment, and Senators SESSIONS, THOMPSON, LIEBERMAN, NICKLES, HATCH, and HAGEL to take the opportunity—if not today at least on Monday—to come over to the Senate and describe the amendments they would have offered and put them in the RECORD so everyone is aware of the opportunities that were missed.

I was listening with some interest to the Senator from Arizona earlier in describing what he perceived to be the position of the business community in this country with regard to non-Fed-

eral money. The Senator described the views of a business group which until a few months ago no one had ever heard of, and more specifically the recommendations of a subcommittee of that group that was dominated by businessmen who have contributed to Democrats over 2-to-1 and leaving out of the description the remainder of that business groups' views on campaign finance reform, which are for public funding, taxpayer funding, of elections and spending limits, which is such a bizarre position these days. It hasn't even been advocated by the other side in the last few years. I think it is safe to say that this little-known business group does not represent the views of American business.

Let me take a few moments to outline the views of American business on the issue before us.

There are 10 business groups representing over 4 million businesses, and 40 million employees representing the Business and Industry Political Action Committee, the U.S. Chamber of Commerce, the National Mining Association, the National Restaurant Association, the National Association of Realtors, the National Association of Manufacturers, the National Association of Business Political Action Committees, the Associated Builders and Contractors, the National Association of Wholesaler-Distributors, and the National Association of Broadcasters, a media group, all of whom signed the following letter:

As the leading business associations in America, we oppose the current campaign finance reform legislation being debated in the Senate and strongly oppose that which recently passed the U.S. House of Representatives. * * * the tenets of McCain-Feingold and the House-passed Shays-Meehan Bill run contrary to the First Amendment guarantees of freedom of speech.

* * * * *
Further regulating issue advocacy should be rejected as an infringement on the basic right of free speech. We are also concerned that these bills decrease opportunities and incentives for citizen participation in the election process.

* * * * *
Just as over-regulation distorts the commercial marketplace, so can over-regulation distort the marketplace of political ideas.

* * * * *

Mr. President, I ask unanimous consent that letter be printed in the RECORD, as well as an excellent letter from the National Association of Manufacturers on the same subject, and a letter by the Chamber of Commerce on the same subject.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BUSINESS-INDUSTRY POLITICAL ACTION COMMITTEE OF AMERICA, Washington, DC, October 7, 1999.

Hon. — U.S. House of Representatives, Washington, DC.

DEAR —: As the leading business associations in America, we oppose the current campaign finance reform legislation being debated in the Senate and strongly oppose that which recently passed the U.S. House of

Representatives. While most of the nation's business community agrees with the need for some meaningful reform of the Federal laws regarding campaign finance, the tenets of McCain-Feingold and the House-passed Shays-Meehan Bill run contrary to the First Amendment guarantees of freedom of speech.

This week, the U.S. Supreme Court will be hearing yet another case on the constitutionality of limiting free speech. Further regulating issue advocacy should be rejected as an infringement of the basic right of free speech. We are also concerned that these bills decrease opportunities and incentives for citizen participation in the election process.

Comprehensive campaign finance legislation has not been passed since 1974 and contribution caps established at that time have not been adjusted for inflation. The maximum contribution of \$1,000 in 1974 is worth only \$303 today. These artificially low ceilings have forced candidates and political parties to seek alternative ways to finance effective participation in the election process. Candidates now have more voters to reach and the cost of campaigning continues to rise.

Just as over-regulation distorts the commercial marketplace, so can over-regulation distort the marketplace of political ideas. Rather than regulating more, we would suggest both complete and immediate disclosure of all campaign contributions and raising or eliminating limits on individual and PAC contributions.

Eliminating or further limiting financial alternatives basically used to fund get-out-the-vote drives or issue awareness efforts, without corresponding actions to raise personal and corporate limits, only exacerbates the funding shortfalls of current campaigns and the increasingly lower voter turnout.

Sincerely,

Gregory S. Casey, President and CEO, BIPAC; Thomas J. Donohue, President and CEO, U.S. Chamber of Commerce; Richard L. Lawson, President and CEO, National Mining Association; Stephen C. Anderson, President and CEO, National Restaurant Association; Lee L. Verstandig, Senior Vice President, Govt. Affairs, National Association of Realtors; Jerry J. Jasinowski, President, National Association of Manufacturers; David Rehr, President, National Association of Business Political Action Committees; Charlotte W. Herbert, Vice President, Government Affairs, Associated Builders and Contractors, Inc.; Dirk Van Dongen, President, National Association of Wholesaler-Distributors; Edward O. Fritts, President and CEO, National Association of Broadcasters.

NATIONAL ASSOCIATION
OF MANUFACTURERS,

Washington, DC, September 20, 1999.

Hon. MITCH MCCONNELL,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCONNELL: On behalf of the more than 14,000 members of the National Association of Manufacturers, including approximately 10,500 small manufacturers, I want to applaud your efforts in protecting the First Amendment rights of individuals and organizations to participate in the political process by opposing attempts to further regulate campaign finance and political speech.

I want to share our thoughts on campaign finance reform with you:

1. While the NAM has no formal policy on soft money, manufacturers know that just as over-regulation distorts the commercial marketplace, so can over-regulation distort the marketplace of political ideas. The so-

called soft money issue emerged in response to earlier regulatory restrictions imposed on the political system. Adding another layer of regulations to cover the failures of previous regulatory efforts will inevitably lead to further distortions. The NAM believes that raising limits on individual and PAC contributions is long overdue. The NAM supports full disclosure of campaign contributions.

2. The NAM is completely opposed to total or partial government funding of congressional campaigns. The NAM believes that our representative form of government functions best when candidates seek voluntary contributions from private citizens or citizen groups. Government funding through tax dollars of candidates for the U.S. Senate and House of Representatives would constitute drastic and costly change in our electoral process. Such unwarranted federal intrusion into the election process would also reverse the present healthy trend toward a reduction in the many pervasive levels of bureaucracy in the federal government. On PACs: As many as 20 million Americans participate in nearly 4000 PACs. That is almost half of the total number of people who voted in the last election cycle. PAC participation is an exercise in free speech and voluntary political activity that has brought millions into the political process.

3. The Supreme Court has decided that money is a form of speech. So, limitations on giving as a form of political speech, whether voluntary or coerced, are limitations on the ability to exercise free speech. Those of us in industry that have been highly impacted by government regulation know that elections have consequences and limitations on our ability to be involved in the process is consequential to the support and election of pro-growth candidates.

4. Issue advocacy restrictions are very worrisome and almost certainly unconstitutional. If the NAM ran ads today about health care or Social Security reform that mention a Congressman's vote on those issues but do not urge the election or defeat of the Congressman, that's perfectly legal under current law (for example, "thank-you" ads manufacturers have run in recent years). Under previous versions of the McCain-Feingold plan, this would change. Running ads more than 60 days before a general election would be constitutionally protected free speech, but running identical ads less than 60 days before an election would be highly regulated speech. NAM has no formal policy on restrictions on issue advocacy, but is very troubled by them.

5. The role of organized labor in the political process is not adequately addressed by proponents of reform. The involuntary collection of union dues for political purposes is anathema to democracy. NAM policy states that "The involuntary collection and use of funds by labor unions for political purposes should be prohibited by statute. The NAM supports the codification of the Beck Supreme Court decision and further paycheck protection measures that ensure that union members cannot be forced to have mandatory union dues go to political causes or organizations they do not support."

In recent years, these five areas of concern have been the principal reasons why the NAM has opposed campaign finance reform legislation and the NAM Key Vote Advisory Committee has named campaign finance reform a Key Manufacturing Vote. The NAM has long advocated individual freedom and participation by all citizens in the legislative and the political process. Therefore, we must again oppose the McCain-Feingold legislation.

For all these reasons, opposition to McCain-Feingold, like the Shays-Meehan bill in the House, will be designated a Key Manu-

facturing Vote in the NAM voting record for the 106th Congress.

We greatly appreciate your leadership on this important issue.

Sincerely,

JERRY J. JASINOWSKI.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,

Washington, DC, September 14, 1999.

Hon. MITCH MCCONNELL,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCONNELL: On behalf of the U.S. Chamber of Commerce, the world's largest business organization representing more than three million businesses of every size, sector and region, I want to applaud your efforts in protecting the First Amendment rights of individuals and organizations by opposing attempts to regulate "issue advocacy."

The U.S. Chamber has long advocated individual freedom and unrestricted participation by all citizens in the legislative and the political process. Therefore, we oppose the McCain/Feingold legislation. By restricting issue advocacy, we believe the legislation is an infringement on the constitutionally protected right of free speech of individuals and organizations.

After numerous press reports we feel it is imperative to clarify our differences with some groups. The Chamber believes in reasonable campaign finance reform proposals. We support a system that relies on full disclosure, voluntary participation, and the confidence in the electorate to make sound decisions through the free exchange of ideas and information. We believe true reform protects the First Amendment rights of American citizens, organizations and parties.

The Chamber does not support taxpayer financing of congressional races as it would dangerously extend the government's role in the traditionally voluntary political process based on individual choice. We believe spending limits are unconstitutional and we will continue to adamantly oppose restrictions on the use of "issue advocacy" as an infringement on First Amendment rights.

We greatly appreciate your leadership on this important issue.

Sincerely,

TOM.

Mr. MCCONNELL. Mr. President, it has been suggested that somehow members of the business community believe they have to contribute to political campaigns. Nothing could be further from the truth. I am familiar with a number of companies that do not contribute non-Federal money, as is their right. We appreciate those who do choose to support our party and give us an opportunity to engage in issue advocacy, voter turnout, and other projects that are funded by non-Federal money, which gives us an opportunity to compete in the marketplace of ideas and gives us a chance to win elections. For those who do choose to participate, we want to thank you.

I also suggest to those who do not want to, don't feel obliged to. There are plenty other members of the business community who want to get involved, who want to help advance the cause that my party stands for, and we are grateful for their support.

I don't know whether we are going to have any more speakers. I want to check with our floor staff and see if we might not be at a point to wrap it up.

Mr. REID. Senator FEINGOLD says he wants to speak for 10 or 15 minutes on

the bill. But other than that, we have no request for speakers on this side.

Mr. MCCONNELL. Mr. President, Senator BENNETT might come back. But he will be here Monday as well and will be able to speak at that point.

I see the Senator from Wisconsin is here and wishes to speak. I don't believe we have any other interest in speaking on this side.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, we have had an excellent debate so far. I am pleased to have an opportunity to make a few comments essentially in summary on what we have covered.

We have been debating an amendment. In fact, we have been debating two amendments. We have been debating two alternatives, both of which I like very much. One of them is the original version of the McCain-Feingold bill, which is very similar to the Shays-Meehan bill that has been offered, and the other is essentially the underlying bill, the approach of simply banning soft money. We think that is well worth doing if we can get nothing else out of the Senate.

I want to make it very clear. I, like my leader, the Senator from South Dakota, also support comprehensive reform. It is even a little bit amusing to me because I remember we had the first version of the McCain-Feingold bill. And when the decision was made to make it a little bit lighter in order to get more support, there was outcry by some that we had abandoned comprehensive reform.

What is now the Shays-Meehan bill was said at that time not to be comprehensive, but today the Shays-Meehan bill is being called comprehensive reform.

It is not comprehensive, I am the first to admit; not only that bill, not only our bill, but any of the bills that have been offered, including the original McCain-Feingold bill. I prefer public financing. So the question isn't: Is this bill comprehensive reform? There is no comprehensive reform being offered on the floor of the Senate in this debate. The question is whether we are advancing the cause of campaign finance reform in a meaningful way with these different alternatives.

I think either alternative, Shays-Meehan or the McCain-Feingold soft money ban, does advance the cause of campaign finance reform.

Then there are only two questions in deciding which approach to follow at this point in this Senate. The first question is: Can it pass? Can the legislation get over the filibuster in the Senate? The second question, and it is as important as the first question, maybe more important: Is it worth it to pass the bill assuming we can do it? That is the issue we have to address.

On the first question, what can be passed in this body? I would love and have fought long and hard for years to be able to pass a bill through this body

that includes not only a ban on soft money but that also deals with the phony issue ads that almost every American knows are campaign ads. But unlike the Senator from New Jersey, I have taken the time to sit down individually with every Republican Senator who has not supported our side in the past, who I thought might support our side on a pure soft money ban or some other alternative.

I asked each Member what they want to see in a campaign finance reform bill. I did this largely with the help and special extra effort not only of Senator MCCAIN, but also the Senator from Maine. This was a process we undertook in May and June and that continues today. I believe these Senators were being sincere with me. Some said they would not support anything and enjoyed the conversation. Some told me maybe there was a way they could support a stronger bill. The underlying theme from these conversations was whereas they couldn't support the provisions having to do with phony issue ads, many of them were open to the possibility of simply banning soft money. Some said: Let's ban soft money and do a couple of other things, too.

There was a thread that came through all of these conversations. I can say to my colleagues with absolute certainty: I don't believe there is any scenario where the phony issue ads issue can be dealt with in this body on this piece of legislation. We cannot get 60 votes for it. And if we don't get 60 votes, the efforts in the House a few weeks ago that were so admirable are wasted. The House passed a bill that has both the soft money ban, and good provisions dealing with the phony issue ads. If we don't pass a bill in the Senate at all, we all know the process. This isn't Nebraska; it is not a unicameral legislature. There are two Houses. If we can't get a bill out of this body, there can't be a conference; or if the House can't agree to the Senate position, we can't have campaign finance reform.

As great as the Shays-Meehan approach or the original McCain-Feingold approach is, I guarantee, I know we can't get 60 votes for that approach in this Senate at this stage of the process.

It is fair to ask whether or not we can pass the soft money ban. We don't know for sure. But we do know this: This long, difficult battle has been won, one piece at a time. We are going to win it. The claim originally was, we only have a few supporters. Then the claim was, we just have Democrats and Senator MCCAIN and Senator THOMPSON; we don't have a third Republican. Then Senator COLLINS came on board. Then Senator SPECTER came on board. Then they said, there are only 49 votes; you don't have a majority, so you can't win. Then we were very fortunate to gain the support of three Senators—Senators SNOWE, JEFFORDS, and CHAFEE, and we had a majority in the Senate. Then they said, you can't get 60 votes.

Fair enough. We know we need 60 votes, if people want to play the game that way—and it is the way it is often played in the Senate to win. For the last year, we have needed eight votes; we need eight votes. Because we had made the decision to listen to our Republican colleagues who were willing to listen, to try to just do a soft money ban if we can't do anything else, we now only need seven votes, as the Senator from Kansas, Mr. BROWNBACK, has cosponsored the McCain-Feingold bill to ban soft money. Now it is seven.

Maybe in a couple of days it will be five or three or two. The point is, in this game we lose and lose and lose and lose until we win, and we only have to win once. That is what legislating is all about. We can win. We must find out whether it is possible to win by finding out how many Members of this body answer the following question with a yes or a no. The question is, Are you for or against party soft money?

Do you think people should be able to give unlimited contributions to the political parties, \$100,000, \$250,000, \$500,000, \$1 million—even though corporations and unions have been prohibited from doing that for decades in the United States? That is the question. Are Members for soft money or are they against soft money? Are they for a system of legalized bribery or against a system of legalized bribery? That is the question.

I do believe there is no contest, no question as to which approach is most likely to break the filibuster. It is the approach of simply banning soft money.

That leads to the second question, and this is the excellent exchange we had with Senator TORRICELLI today. It was all about whether it will make a difference, whether it is worth it, whether it will do anything at all if we are able to only ban party soft money. It is a fair question because I don't think there is any doubt there will always be attempts to avoid the ban and have the money flow to other sources.

But my belief that it would make a huge difference to ban party soft money in this process is not some kind of utopian version. It is not some kind of a millennial fervor about being able to sever the connection between money and politics. I believe that is eternal. There will always be some connection between money and politics.

The question is whether we can do something to close an outrageous loophole that has caused America to not have a campaign finance reform system at all—which is exactly what the Senator from Tennessee, Mr. THOMPSON, has said on many occasions. That is the question. Is it worth closing this loophole?

Senator MCCAIN said it well. We may have to do more. Even this attempt may in 10 years be void. It is similar to tax reform. Nobody thinks when we do tax reform, as we did in 1986, that it is forever. It works for a while and we have to come back and do it again.

That is why the Senator from Arizona said we don't adjourn permanently. Problems recur. Thomas Jefferson even said we should have a revolution every 20 years. Surely, it is not such a bad thing if we have campaign finance reform attempted every 20 years.

I do think it is worth it. The reason I think it is worth it is because of the staggering figures I think many Americans are not aware of which are demonstrated on this chart. Do the American people know the kind of money that is being given to the political parties in this country, in a country that is supposed to be based on the principle of one person, one vote? How can they believe they are operating under a system of one person, one vote when enormous contributions can be given by corporations, unions, and individuals that make a farce out of the Watergate era reforms?

These figures bear repetition. In 1992, 52 people gave over \$200,000 to one of the major political petitioners. That is a lot. But by 1996, 219 people had given over \$200,000. What about over \$300,000? In 1992, only 20 people had given \$300,000 to the major political parties. That figure sextupled—120 people instead of 20 gave in 1996 that amount.

What about those who gave \$400,000? These aren't groups that represent a bunch of individuals. These are one individual or one union or one corporation, each giving \$400,000. Thirteen entities or persons did that in 1992, but in 1996 it was 179.

Finally, \$500,000, a half a million dollars—people or corporations or unions giving a half a million dollars to one of the political parties: there were 9 people or groups who did that in 1992; by 1996 it was 50. I can just imagine what that figure is going to look like in the year 2000. It will be enormous. In a system where people are supposed to generally have their votes count the same, some people get to give these unlimited contributions to the national political parties.

To tie this into the debate from yesterday about the issue of corruption and the appearance of corruption, I reminded my colleagues after the exchange here that the test that the Supreme Court has put forward as to whether you can ban contributions or limit contributions is whether there is corruption or the appearance of corruption. All I needed to do to drive this point home was to open up the newspaper this morning and on the front page of the Washington Post see this headline:

Microsoft Targets Funding For Antitrust Office.

Apparently Microsoft and their allies are not seeking to directly affect the litigation that is being conducted with regard to Microsoft by the Justice Department at this time; what they are trying to do, according to this article, is cut the overall funding for the Justice Department's Antitrust Division. In this context, if somehow things don't look right, there is the ever

present possibility that there would be an appearance of corruption. It just so happens on the plane out here, next to my seat there was a copy of Forbes magazine and the Forbes 400. I read the whole thing.

I found out to be in the Forbes 400 now it is not enough to have half a billion dollars. You are not on the team if you're only worth half a billion. You get kicked off the Forbes 400 list. You have to have \$620 million to be on the Forbes 400 list.

Who do you think led that list? Who do you think was the lead in the whole thing? It was the Microsoft executive, of course, and Mr. Gates himself is so much more wealthy than the next wealthiest person that it is absolutely staggering.

One chart in the magazine article showed five or six people and how their wealth was greater than the wealth of various countries. They put the picture of the head of the person next to the wealth of the country. In this context, where Microsoft wants the Justice Department's budget cut, to have a scenario where corporations and unions and individuals can give unlimited amounts of soft money certainly creates the potential for an appearance of corruption.

I have no idea what Microsoft's or Bill Gates' actual contributions are, and I am not suggesting that they are making those contributions to influence the funding of the Justice Department. But for us to create a scenario where Mr. Gates could give unlimited amounts of money rather than the old \$2,000 of hard money, or a Microsoft PAC could give more than \$10,000, to just have it be unlimited I believe almost inherently, as the Supreme Court would say, creates an appearance of corruption that is bad for Microsoft, bad for the Justice Department, and bad for our country.

We have never permitted this in the past. We have never permitted corporations to give this kind of money. We have never permitted unions to give this kind of money. Essentially in the last 5 years, one way to describe this: This kind of negative influence of money and politics, which will always be there, has gone from the retail—\$2,000, \$10,000—to the wholesale side. We now have the wholesale purchase of public policy, or the appearance thereof, in this country.

I will simply quote from a Minneapolis Star Tribune editorial from October 13, 1999. This summarizes this very well, the fact that it is worth it to prohibit corporations and unions and individuals from giving unlimited contributions to the political parties. The editorial says:

Later this week, when the Senate tries again to pass campaign-finance reform, opponents will argue that Congress shouldn't abridge the right of citizens to express their opinions through their checkbooks. Sen. Mitch McConnell, the Republicans' legendary fund-raiser from Kentucky, told the Washington Post this week: "Somebody needs to protect the right of Americans to project their message."

This is a plausible argument in a society that values free speech. Except that some of the people with the biggest checkbooks say it's a load of bunk.

Listen to Rob Johnson, corporate vice president for public affairs at Cargill Inc.: "Even if money doesn't buy influence, it is perceived to buy influence. That perception erodes peoples' confidence in their government and their willingness to participate in the electoral process."

Consider Marilyn Carlson Nelson of the Carlson Companies, or James Porter, a vice president at Honeywell. Both are active in the Committee for Economic Development (CED), a New York study group of influential corporate executives. After researching the cost of political campaigns, the CED concluded last summer: "Candidates spend an inordinate amount of time fundraising, reducing the time they spend communicating their ideas to constituents."

If these powerful executives—the very people who might benefit most from checkbook politics—can see the corrupting influence of money in campaigns, it's astonishing that the Senate cannot.

And yet reform will almost certainly die in the Senate this month, for the third time in as many years. Though a promising bill just passed the House and has majority support in the Senate, reformers cannot muster the votes to break a GOP filibuster.

The point is not that big donors always get their way. Populists can point to the occasional victory—the recent House vote on patient rights, for example, or President Clinton's veto of the big GOP tax cut.

The point is that big money has taken politics out of the hands of citizens and delivered it into the hands of cynics. Promising candidates refuse to run for office because they can't face begging for cash. Talented incumbents shirk their legislative work to raise money for the next campaign. Citizen volunteers drop out of politics because the old forms of participation—pounding lawn signs and calling neighbors—have given way to slick direct mail and vicious TV spots. Voters eventually understand that politics no longer belongs to them.

The bill that comes before the Senate this week—a whittled-down reform written by Republican John McCain of Arizona and Democrat Russell Feingold of Wisconsin—wouldn't revolutionize politics. It would merely ban "soft money," the unregulated form of contributions that has spiraled out of control in recent years. But banning soft money would at least be a start toward healthier politics. Alas, that start must likely await another year, and a Congress with more courage.

After three fruitless years, the reform effort has grown demoralizing. And yet the marathon debate is useful—it brings new critics to their feet, whets the outrage of intelligent citizens, and drives the obstructionists to ever more desperate tactics.

This is a good statement of why it is worth it to ban this kind of outrageous abuse of our American democracy.

Justice Souter said it very well at the oral argument in the Shrink Missouri Government PAC case just a few days ago; which I had a chance to attend. I know this was just a comment from the bench. We don't know what the ruling will be. But Justice Souter described exactly what these giant contributions have to mean to almost any American. He said:

Most people assume, and I do, certainly, that someone making an extraordinarily large contribution gets something extraordinary in return.

I am sure the Court will take notice, if we ever get to that point, that many Americans share that view, and it is very significant that one of the great Justices of the Supreme Court took notice that it gives him the feeling there is an appearance of corruption in this system.

To finally respond to the point the Senator from New Jersey made, the Senator from New Jersey said—I don't know what his historical basis for this is, but it is an interesting comment: "We only get a chance once every 10 years to do campaign finance reform." He said that is why we had to do the Shays-Meehan approach rather than the soft money ban.

But this is what I know to be true. Not only is it worth it to ban soft money, but if we don't take this opportunity to at least ban soft money, there will be no campaign finance reform at all during the 1990s. The opportunity to have any campaign finance reform will have been destroyed by Congress after Congress after Congress. This is our chance to break down this system that is destroying anybody's sense that there is a system of one person one vote in the United States anymore.

This is a chance. This is the one we must take. This is the one on which we must have a yes-or-no vote early next week.

Mr. President, I yield the floor.

Ms. MIKULSKI. Mr. President, once again the Senate is considering campaign finance reform. As my colleagues know, the House of Representatives in September passed a strong, bipartisan reform measure. Senators MCCAIN and FEINGOLD have put a bipartisan reform proposal before the Senate.

The House has acted overwhelmingly in favor of reform and the majority of Americans support them. It is imperative that the Senate pass a tough campaign finance reform measure this year.

I have consistently supported campaign finance reform since coming to Congress. As many of my colleagues know, I started my career in politics as a community activist, working to prevent a highway from demolishing my Fell's Point neighborhood. I don't want the next generation of community activists shut out of the political process. I want them to know that their efforts matter. I want to restore each American's faith and trust in government. This bill is an important step in restoring the faith of the American people and ensuring that our citizens have a voice in government.

Vote after vote in the past has shown that the majority of the United States Senate supports the McCain-Feingold reform proposal. Unfortunately, through parliamentary tactics and filibuster, a majority of the Senate has not been able to work its will on this issue. I hope this year will be different, and that we will pass and enact meaningful campaign finance reform.

During my time in the United States Senate, I have voted 19 times to end

filibusters on campaign finance reform. So I know we have a fight on our hands. But it is time for action, and it is time for reform. The American people are counting on us.

I believe we need campaign finance reform for a number of reasons. First and most important, we need to restore people's faith in the integrity of government, the integrity of their elected officials, and the integrity of our political process.

Many Americans are fed up with a political system that ignores our Nation's problems and places the concerns of working families behind those of big interests. Our campaign finance system contributes to a culture of cynicism that hurts our institutions, our government and our country.

When Congress fails to enact legislation to save our kids from the public health menace of smoking because of the undue influence of Big Tobacco, it adds to that culture of cynicism. When powerful health care industry interests are able to block measures to provide basic patient protections for consumers who belong to HMOs, that adds to the culture of cynicism. Is it any wonder that Americans do not trust their elected leaders to act in the public interest?

It's time for the Senate to break this culture of cynicism. We can enact legislation to eliminate the undue influence of special interests in elections.

How does this bill do that? First of all, it stems the flood of unregulated, unreported money in campaigns. It will ban soft money, money raised and spent outside of federal campaign rules and which violates the spirit of those rules.

During the 1996 Presidential election cycle, the political parties in America raised a record \$262 million. In just the first six months of the 2000 election cycle, the parties have raised an astounding \$55.1 million. That's 80% more than they raised in the same period of the 1996 cycle. The need to shut down the growing soft money machine is clear.

This bill will also codify the Beck decision, by allowing non-union members who pay fees in lieu of union dues to obtain a refund of the portion of those fees used for political activities. Unions play a vital role in our political process. This provision enables unions to more accurately reflect the views of their members.

These are reasonable reforms. They will help get the big money and the secret money out of campaigns. They will help to strengthen democracy and strengthen the people's faith in their elected officials.

Mr. President, we can improve our political process, making it more fair and more inclusive, without compromising our rights under the Constitution.

By limiting the influence of those with big dollars, and increasing the influence of those with big hearts, we can bring government back to where it belongs—with the people.

The Bipartisan Campaign Reform Act will help us to do that, and I am proud to support it and encourage my colleagues to do likewise.

MORNING BUSINESS

Mr. MCCONNELL. The distinguished assistant Democratic leader and I have agreed it would be in the best interests of both sides to put the Senate into morning business, which will give everyone an opportunity to talk on whatever subject they would like to speak. Therefore, I ask unanimous consent the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Ms. COLLINS. The Senator from Kansas and I have a colloquy into which we are going to enter. It is my understanding the Senator from Oregon has just a few brief remarks to make. I wonder if he wants to go before the Senator from Kansas and myself, since we anticipate using approximately a half-hour.

Mr. WYDEN. If the Senator will yield, I have about 10 minutes. I appreciate her thoughtfulness. Perhaps we can go into a quorum call and work all this out.

Mr. KERREY. Mr. President, I had asked the Senator from Oregon if I could speak for no more than 5 minutes. I want to engage the Senator from Wisconsin in a colloquy on campaign finance reform. I will leave and let the two Senators work it out. He was kind to say I could go ahead of him. Is that OK?

Ms. COLLINS. That is certainly acceptable to the Senator from Maine, assuming the Senator from Oregon does not take more than 10 minutes.

Mr. WYDEN. That is acceptable to me as well.

The PRESIDING OFFICER. The Senator from Nebraska.

CAMPAIGN FINANCE REFORM

Mr. KERREY. Mr. President, I come to the floor to describe why I think it is very important to hang on to the bill the Senator from Wisconsin and the Senator from Arizona have put before us on campaign finance reform.

There will be all kinds of amendments offered to change the bill, some of which I support strongly. It seems to me our only chance of getting this legislation passed is to stick as closely as possible to the bill we currently have in front of us.

I have had a fair amount of experience in soliciting soft money contributions from donors. I can say that both the contributors and myself, and anybody else who solicits, would have a difficult time denying they are extremely uncomfortable with the dollar