House of Representatives

The House was not in session today. Its next meeting will be held on Tuesday, April 3, 2001, at 12:30 p.m.

Senate

MONDAY, APRIL 2, 2001

(Legislative day of Friday, March 30, 2001)

The Senate met at 5 p.m., on the expiration of the recess, and was called to order by the Honorable PETER G. FITZGERALD, a Senator from the State of Illinois.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, who has promised strength for each day, we ask You for a special provision for this busy week ahead. As the week stretches out before us, we realize that there is more to do than it seems there is time to accomplish it. However, our security is that we are here to do Your work, and therefore You will provide for what You will guide.

You have taught us that the secret of strength is thanksgiving: If we will give thanks for the very things that cause pressure, You will open the floodgates for a flow of Your energy into our souls, our minds, and bodies. So thank You, Father, for the long days of work ahead; thank You for the relationships that may be difficult, for the times when stress will mount and our bodies will tire. But most of all, thank You for the fresh supply of power to face each hour. You are our refuge and strength, a very present help when we need it most of all. Amen.

PLEDGE OF ALLEGIANCE

The Honorable Peter G. Fitzgerald led the Pledge of Allegiance, as follows: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Thurmond).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Peter G. Fitzgerald, a Senator from the State of Illinois, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. FITZGERALD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, this has been a long and interesting debate, and before I begin my final remarks I would like to thank my superb staff, the senior member of which is Tam Somerville. Now staff director of the Rules Committee, she is a long-time veteran of these wars going back to the filibusters of 1988—a good friend and a great colleague. I thank her for her outstanding work over the years on this subject. And Hunter Bates, my chief of staff, has done superb work on this and a great many other matters of which it stands, one nation under God, indivisible, with liberty and justice for all.

BIPARTISAN CAMPAIGN REFORM ACT OF 2001—Resumed

The ACTING PRESIDENT pro tempore. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, this has been a long and interesting debate, and before I begin my final remarks I would like to thank my superb staff, the senior member of which is Tam Somerville. Now staff director of the Rules Committee, she is a long-time veteran of these wars going back to the filibusters of 1988—a good friend and a great colleague. I thank her for her outstanding work over the years on this subject. And Hunter Bates, my chief of staff, has done superb work on this and a great many other matters

This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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over the years, and an old friend going back well over a decade. And new members of the team: Andrew Siff, the general counsel of the Rules Committee, who Senator McCaine and I would have to agree sort of staffed both sides at times, doing a very good job; and an outstanding job; Brian Lewis, also of the Rules Committee, and John Abegg of my staff, who have been marvelous in this whole debate.

Now, Mr. President, the theory of this bill, the underlying theory, is that there is a lot more money in politics in spite of the fact that last year Americans spent more on potato chips than they did on politics.

Then the other theory of the bill is, well, if we can’t squeeze all the money out of politics at least we can get at that odious soft money. Well, I think it is important for our colleagues to know that the average soft money contribution to the Republican Senatorial Committee last year was $320. That is about one-tenth of 1 percent of the total amount of money we raised. The largest contribution to either the Republican National Committee or the Republican Senatorial Committee was $350,000. Admittedly, that is a lot of money, but any one of those donations would only have amounted to one-half of 1 percent of what was raised by the committees.

Now if we were concerned about the appearance of a large contribution, we had an opportunity of expressing that when we had a vote on the Hagel amendment which would have capped non-Federal money, just as for many years we have capped Federal money. But, no, the Senate opted for prohibition, not moderation. Now we know what has happened when we have gone down that path before with prohibition. Of course, nothing would be prohibited.

We had an opportunity to recognize that there are nothing inherently evil about non-Federal money and that the only issue really the Senate was trying to address was the size of the contributions; we could have dealt with that in the Hagel amendment, but that was defeated.

Now other countries, many of them allies of ours, unburdened by the First Amendment, have squeezed the money all the way out of politics. A good example of that is the Japanese. The Japanese have gotten all the money out of politics.

Let me tell you what it is like to run for office in Japan. The Government determines how many days you can campaign, the number of speeches you can give, the places you can speak, the number of bumper stickers you can hand out, and the number of megaphones you get—one, one megaphone per candidate. This was all in response to the need, it was widely perceived, to get money out of politics so people’s view of the Parliament would go up.

Well, after passing all of these draconian measures, now 70 percent of the Japanese people have no confidence in the legislature and turnout continues to decline. So it is obvious that had no impact whatsoever.

What we have done here, in an effort to get money out of politics, is to take some moderately sized contributions and profit out last week, and let me briefly touch again on what we have done.

In a 100-percent hard money world, this would be the impact on the party committees. Looking at the last cycle, last year, in the current system, the Republican National Committee had $75 million in net hard money to spend on its candidates; under McCain-Feingold, it would have had $37 million. The Democratic National Committee under the current system had $48 million in net hard money for candidate efforts; under McCain-Feingold, it would have had $20 million. The Republican Senatorial Committee had net hard money to spend on candidates of $14 million; under McCain-Feingold, it would have had $1 million. The Democratic Senatorial Committee had $6 million hard money; under McCain-Feingold, it would have had $800,000. And over on the House side—a real disaster. Under the current law, the House Appropriations Committee had $22 million in net hard money; the Democratic committee over in the House, minus $7 million. Under McCain-Feingold both of them would have been substantially below water: $13 million in the case of the Republican; zero for the congressional committee on the Republican side and $20 million on the Democratic side.

In a 100-percent hard money world, as defined by McCain-Feingold, what we will do is take none of the money out of politics; we will just take the parties out of politics. And when we take the parties out of politics, what is the impact of that? Parties are the one entity in America that will support a challenger. Parties are filters. They will do is take none of the money out of politics; the Democratic national committees to State and local campaigns spent more on potato chips than they did on politics.

Host committees for national conventions are abolished and people such as Jerome Kohlberg and the big charitable foundations are underwriting the reform

Who wins?

As I said the other day, who wins are people such as Jerome Kohlberg. This is the billionaire who has decided this is going to be his legacy. This is the full page ad he ran in the Washington Post the other day on behalf of this legislation. I suspect a lot of the lobbyists out in the hall right off the Senate floor will have to be paid for with 100-percent hard dollars. Any support from national party committees to State and local candidates will have to be 100-percent hard dollars. I would venture to say that the national conventions, which the press has declared boring for some time now, are probably a thing of the past.

Host committees for national conventions are abolished. People such as Jerome Kohlberg took each party $80 million to put on their national conventions. They got $15 million from the Treasury. All the rest of it was this odious soft money which is going to be abolished. In order to do that Senator McCain put in the national conventions in hard dollars, the two committees will have to come up with about $60 million each in hard dollars to put on the national conventions.

My guess is they will decide they might as well let the national conventions become a relic of the past because they will not be able to afford to put on the conventions and also help the candidates. Given that choice, they clearly will want to help the candidates. The conventions may or may not go on at all. But if they are very short, maybe a half-day convention. I recommend they come to Louisville, KY. I think we could handle the size of the convention now. We haven’t been able to apply for it in the past.

Applying the new McCain-Feingold is so sweeping it is likely to preclude Senators from raising money for churches and charities because there is written into the bill an effort to restrict the ability to raise money for 501(c)s. A query: Will Senator McCane or myself be able to raise money for the International Republican Institute or Senator Kennedy raise money for the Special Olympics? I doubt it.

In addition to that, there is a very serious question of what to do with the soft money already raised. Both parties are having their dinners this year as if everything is pretty much the same. Typically at these party dinners, about 80 percent of the dollars raised are soft. Under McCain-Feingold, not one penny of soft money in any account controlled by either a Member of Congress or a national party committee can be directed to, donated to, transferred to, or spent. Let me say this again: All the non-Federal money already collected is going to be dead money. You can’t do anything with it. You can’t direct it. You can’t donate it. You can’t transfer it. You can’t spend it. As I read it, that couldn’t be transferred to a State party, donated to a charity, or even directed to the U.S. Treasury. So it is going to sit there, frozen, useless assets.

What are the implications of this?
movement, hand in hand with the editorial pages of the Washington Post and the New York Times, which have editorialized on this subject an average of once every 6 days over the last 27 months.

At least in the Senate, they are going to get their way shortly, but this new world won’t take a penny out of politics, not a penny. It will all be spent. It just won’t be spent by the parties. It will be spent by the Jerome Kohlbergs of the world and all of the interest groups. Everyone knows, the restrictions on those interest groups will be struck down in court, if we get that far.

Welcome to the brave new world where the voices of parties are quieted, the voices of billionaires are enhanced, the voices of newspapers are enhanced, and the one entity out there in America, the core of the two-party system, that influence is dramatically reduced.

I strongly urge our colleagues to vote against this legislation, which clearly moves in the wrong direction.

Mr. REID. Mr. President, I ask unanimous consent that each side be extended an additional 2 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Connecticut.

Mr. DODD. Mr. President, will the Chair notify me when I have consumed 2 minutes?

The Senate today is taking long awaited action to approve legislation to address what the American people have come to believe is the single most egregious abuse of our campaign finance system. That is the unlimited flow of soft money. If the McCain-Feingold legislation did nothing else but close the soft money loophole, this is true reform and needed reform.

My colleagues have accomplished much more. I congratulate Senators McCain and Feingold and everyone who, recognizing the powerfully negative influence that the money chase has had on our political system, I also congratulate their dogged persistence over these past number of years, and patience, in striving to craft a consensus on reform legislation that seeks to address the worst aspects of the current system.

I thank the Democratic leader Tom Daschle. No Member has done more or been more consistent in their support of this legislation or worked harder behind the scenes to hold the Democratic caucus together in support of this measure. Without those votes on the Democratic side, this matter would not be before law.

I have been privileged and honored to serve as floor manager of this bill, along with the Senator from Kentucky. I thank my staff, Kennie Gill, Andrea LaRue, and others, along with the staff of my friend from Kentucky, for the very fine job they have done.

This has been a good debate. It has been one of the finer moments in the Senate.

One final point, the great Justice Learned Hand once spoke of liberty as the great equalizer among men. In his words:

The spirit of liberty is the . . . lesson . . . (mankind) has never learned, but has never quite traded from the kingdom where the least shall be heard and considered side by side with the greatest.

That should be the ultimate test of whether any matter considered by this body is worthy of our support. The McCain-Feingold bill passes that very noble test.

I urge my colleagues to support the McCain-Feingold campaign finance reform bill.

Mr. GRASSLEY. Mr. President, improving the campaign finance system is an important priority. Without a doubt constructive criticism works to help cleanse the system. More importantly, good debate helps reduce public cynicism. That is why I would like to commend my colleagues for the good discussions we have had in the past 2 weeks.

My goals for campaign finance reform have long included improved citizen participation, enhanced public disclosure, full and fair and safeguarding the right of Americans to organize and petition their government.

To accomplish these objectives, I want reform to give individuals a bigger role in the political process, increase up-front participation of political parties, protect and enhance the ability of union members from being forced to bankroll candidates they oppose, discourage misconduct by political campaigns with swift and sure punishment, and require full public disclosure of contribution sources.

Therefore, in evaluating any campaign finance legislation I ask myself, does this bill accomplish these goals?

I believe that we made progress with the McCain-Feingold bill by providing for greater disclosure such as requiring all television and radio stations to include in their “public file” all media buys for all political advertising, by requiring additional disclosure for Federal candidates and national political parties, and requiring the Federal Election Commission to provide the information on the Internet within a reasonable amount of time. I also believe that it was prudent of us to increase the individual hard money contribution limitation in 1990. Furthermore, we increased the penalties for election law violators.

On the other hand, I was disappointed that the Senate failed to agree to several amendments that I feel would have been a good reform. Such amendments were to provide disclosure and consent to corporate shareholders and union members regarding the use of their funds for political activities and the effort to limit soft money, instead of a complete ban which will likely be thrown out by the Courts.

However, there is a more egregious problem with this legislation. This bill fails to protect an individual’s right to organize and petition their government and engage in full public disclosure.

Virtually every American has a “special interest,” whether its lower taxes, endangered species, education, or human rights. I agree to exercise their first amendment rights of free speech. However, this McCain-Feingold bill severely restricts the groups which average citizens join to secure and protect free political speech, dissent or assent, of all kinds. Free political speech protects us from tyranny.

The first amendment forbids Congress to make any law “abridging the freedom of speech,” especially political speech. I swore to uphold the Constitution. Therefore, I cannot vote for a bill that I believe violates our first amendments rights.

Mr. KOHL. Mr. President, I rise to support S. 27, the Bipartisan Campaign Finance Reform Act of 2001. I have been a consistent supporter and co-sponsor of campaign finance reform because I believe we must do everything we can to ensure that there is not even a perception of undue influence in Federal elections.

The debate of the last 2 weeks has provided us with a unique opportunity to examine a wide range of issues related to the financing of political campaigns. The result is a bill with strong bipartisan support. This landmark legislation, if signed into law, will succeed in banning soft or unregulated money in Federal elections. The unlimited
flow of money into party coffers creates the greatest opportunity for special interests to seek favor with politicians. The reality that businesses or organizations can be tapped for such vast sums has dramatically changed the atmosphere surrounding the work of our legislative and executive branches of Government.

With this legislation, we are also finally getting at one of the most troubled areas of campaign finance reform. Reporting spending in Federal elections, so-called sham issue ads. This legislation does not ban issue advocacy or limit the right of groups to air their views. Rather, the disclosure provisions in the bill require that these groups step up and identify themselves when they run issue ads which are clearly targeted for or against candidates.

The Supreme Court’s decision in Buckley v. Valeo in 1976 has left us with the difficult task of devising a system of financing campaigns without supressing free speech. Our Founding Fathers were resolute in their defense of speech and we must continue to protect the first amendment right. We do so, however, with the understanding that we must reconcile free speech with a competing public interest. This interest, as articulated in Buckley v. Valeo, is preventing corruption of Federal elected officials or even the appearance of corruption. Let me be clear. I do not believe that our system is corrupt or that elected officials are corrupted by campaign contributions. However, the bill does require that we must combat the perception of corruption.

It isn’t difficult to understand why a majority of American citizens are convinced that the presence of special interest money in politics buys influence. The vast majority of those citizens do not participate in contributing to political candidates—in a recent survey, 6 percent of the electorate said they gave any money to a political candidate and less than one-tenth of one percent even contributed $100 or more. This is why I supported the Torricelli amendment to give political candidates the opportunity to buy advertising time at the lowest unit cost, as originally intended in the Federal Election Campaign Act.

It is my hope that this legislation is signed into law. I fear if this bill becomes bogged down in a conference or if the President vetoes it, we will have missed a rare opportunity to achieve meaningful campaign finance reform. The unprecedented time we have spent debating this issue—and a wonderful debate it has been, fast-paced and unscripted—will not be repeated any time soon.

Finally, I want to commend my colleague from Wisconsin, Senator Russ Feingold. He has been dogged in his pursuit of campaign finance reform. For 5 years now, he has championed this issue, even when it was not always popular with his colleagues. He has forged a potent partnership with Senator McCain and they have waged a campaign across the country and in the Senate to rally the American people for the reforms we are adopting today. While he has been unbending in his desire to move this forward, he has also compromised and adjusted so that we could address the worst abuses of the system. He has earned the respect of all Wisconsinites for his leadership on campaign finance reform.

Mrs. MURRAY. Mr. President, today I am pleased to vote to overhaul our nation’s campaign finance system. The McCain-Feingold legislation represents a step forward that is long overdue. In recent years, it has become clear that our campaign finance system is broken. There’s too much money in elections. It’s too hard for average citizens to be heard. Their voices are being drowned out by big-money special interests and wealthy contributors. It’s too difficult to run for office. The system is too secretive. There are undisclosed groups giving money and trying to influence elections with no sunshine and no public disclosure. And especially after this last election, many people are wondering if their vote will count. As a result, Americans are cynical about elections and aren’t participating. We need to turn that around.

Ever since I came to the Senate, I’ve fought for campaign finance reform. I’ve consistently voted to get the Senate to debate campaign finance reform. In 1996, I served as a member of Senator Torricelli’s Task Force on Campaign Reform. In 1998, I offered an amendment for full disclosure. And in my own reelection campaign in 1998, I went above and beyond the legal requirements, and I disclosed everyone who supported me, whether they contributed $5 or $500.

Given the problems in the system, I developed a set of principles for reform that have guided my decisions throughout this debate. My principles for reform are: First, there should be less money in politics. Second, I want to make sure that average voters aren’t drowned-out by special interests or the wealthy. Third, we must demand far more disclosure from those who work to influence elections. When voters see an ad on TV or get a flyer in the mail, they should know who paid for it. There must be disclosure for telephone calls and voter guides. Citizens have a right to know who’s trying to influence them. We’ve seen a disturbing increase in the number of issue ads, which are often negative attack ads. Too often, voters have no idea who’s bankrolling these ads. Voters deserve to know and thus I have demanded greater disclosure. Fourth, we need to keep elections open to all Americans. We need to ensure that average citizens not just millionaires can run for office. When I ran for the Senate in 1992, the most I’d ever earned was $23,000 a year. I wasn’t a millionaire. I wasn’t a celebrity, but I was able to run for office and win a seat in the Senate because the system was open to anyone. That’s getting more difficult today. Finally, we need to make our system fairer, for people to vote. We need to make sure that when citizens vote their votes are counted.

The bill now before the Senate makes some progress toward the principles I’ve outlined. I am disappointed this legislation does not go further. Some amendments have strengthened the bill. Other amendments, including raising the limits on hard money, have weakened the bill. The money limit in particular will inject more money into politics at a time when I, and most Americans, want to reduce the amount of money in politics. This bill also has the potential to give a dissonant role to independent organizations to third party organizations. I’d rather see citizens and candidates have a stronger voice than third party organizations.

I know my colleagues recognize that there is a carefully balanced bill. If, at some point in the future, the courts invalidate some portion of this bill, Congress should return to the legislation.
to restore the balance of fairness in our nation’s elections laws. Campaign finance reform should not be a gift to either party, but should instead return our democracy to its rightful owners, the American people.

Before I would like to remind my colleagues that our work on election reform is far from completed. Unfortunately, this legislation does nothing to ensure that every citizen’s vote counts in an election, something that is sorely needed in the wake of the Presidential election. If Congress can truly restore the people’s faith in our election system, we must ensure that every vote counts. On that matter, this legislation stands silent.

On the whole, however, this bill is a significant step forward. It should help restore citizens’ faith in our electoral process. It also illustrates the Senate’s ability to address issues of concern to the American people.

I cast my vote in favor of this much-needed reform.

Mr. KYL. Mr. President, I rise to take a few moments to explain why I will oppose S. 27 on final passage. At the outset, however, I want to congratulate my colleague John McCain for bringing to the Senate floor a body of thought that will provide a basis for action on final say as to its constitutionality. Mr. Kyhl, reported, the bill before us targets political parties by prohibiting them from receiving so-called “soft money” donations. If imposes particularly severe restrictions on party organizations in the 50 states, preventing them from using funds, other than federally-regulated “hard dollars”, even under state law for party-building activities and constitutionally protected issue advocacy during any time-frame that coincides with a federal election. To realize that most states conduct their elections concurrently with federal campaigns is to realize how stifling such restrictions are going to be.

To the extent that there is credible evidence of corruption of officeholders and the system of government established by our Constitution, it might be constitutional to limit the amount of such contributions, as opposed to banning them altogether. For that reason, I supported Senator HAGEL’s proposal to cap soft money contributions at $500,000. Imposing such a cap would achieve the objective of preventing a donor from potentially corrupting those to whom he donates while heeding the Supreme Court’s warning that any such limitation be tailored as narrowly as possible to meet that objective.

Senator HAGEL’s alternative, which I supported and the Senate rejected, would arguably also have weakened political parties, but it would not have constitutional omissions. The way S. 27 is likely to do. The Hagel bill, by combining its restrictions on parties with a hard-money limit increase, offered a reasonable bargain: moderate the influence of candidates, while increasing the ability of candidates to get their own message out. The bill before us imposes much more stringent limits on parties, while providing much more moderate relief to candidates in the form of a hard-money limit increase.

By capping the contraction of the supply of money available to parties and candidates, this arrangement will lead to either an attenuation of political debate or the movement of funds into the coffers of outside single-issue groups. They need the media will take the place of the parties and the candidates in carrying the messages of the campaign.

Again, this is assuming that the Supreme Court upholds a soft money ban. There are several legal precedents that make this assumption difficult to sustain. In 1976, in the landmark case of Buckley v. Valeo, the Supreme Court held that restrictions on political donations and expenditures impose on the rights of speech and association protected by the First Amendment, and, therefore, are subject to the most stringent level of constitutional scrutiny.

In a 1996 case, Colorado Republican Party v. FEC, the Court made it clear that these guarantees extend to political parties, as well as to independent citizens and groups, noting that, as Justice Thomas wrote in a concurring opinion, “political associations allow citizens to pool their resources and make their advocacy more effective, and such efforts are fully protected by the First Amendment.”

It is true that a common manifestation of that protected advocacy is the type of communication that has, not altogether inaccurately, been described as the “sham issue ad.” But the Buckley court anticipated that “the distinction between discussion of issues and candidates for elected office and the election or defeat of candidates may often dissolve in practical application,” yet insisted that “discussion of public issues and debate on the qualifications of candidates are integral to the operation of our system of government established by our Constitution.” “The First Amendment,” said the Court, “affords the broadest protection to such political expression in order to assure the unfettered interchange of ideas that is the bringing about of political and social changes desired by the people.”

In light of these holdings, it is difficult to imagine that the courts could find a prohibition aimed at preventing the parties from engaging in this type of advocacy to be anything but an infringement on the free speech rights of those organizations. If, as I believe they will, courts strike down these provisions of the bill, and unions, corporate political associations allow to use unregulated funds for issue advocacy, S. 27’s soft money ban on contributions to parties could give rise to a very plausible equal protection claim.

Of course, activity by independent entities does not fall outside the scope of the bill before us. The proponents of the bill suggest that we who worry about its impact on parties and non-incumbent candidates should be conspired by the restrictions it places on the ability of citizens and groups to coordinate their views and coordinate their activities with political parties.

These provisions provide me with no consolation. As I noted, these restrictions will not likely survive judicial scrutiny. That outcome is one that we should welcome, because these restrictions are misguided.

I have great respect for my colleagues who confronted the issue of constitutionality and tried to craft a way to permit “genuine” issue ads while cracking down on “phony” ones. They attempt to identify a permissible subcategory of issue advertisements
that constitute “electioneering” without expressly advocating the election or defeat of a candidate.

But I believe that using the threat of mandatory disclosure of donor information or outright bans on advocacy as a trade-off for the quality, timing, and content of issue advocacy communications is fundamentally at odds with the First Amendment’s injunction to Congress to “make no law . . . abridging the freedom of speech . . . or of the right of the people . . . to petition the Government for a redress of grievances.”

Congress cannot be in the business of outlawing criticism of itself. Of course, I do not appreciate the unfair attacks that are all too frequently presented in single-issue advertisements. But I think that we would do well to resist the urge to silence those who would criticize us, even those who criticize us when we are most sensitive to criticism—at election time.

Unfortunately, the passage of this bill leaves us with three unappealing possibilities: that our work may be struck down in toto; that it might be refashioned by the courts into something altogether different than what was intended; or that it might be left as it is, which would leave us with a democracy less vital than the admittedly imperfect one it is our privilege to be a part of.

It is my hope that this bill will be modified in the House of Representatives to avoid those three results.

Mrs. FEINSTEIN. Mr. President, the Senate is poised to pass S. 27, the McCain-Feingold bipartisan campaign reform bill. The momentum for the bill is building. The President has announced that he is disinclined to veto this bill. We could be on the brink of enacting the first significant campaign reform legislation in a generation.

I would like to make a few observations.

First, I want to salute the bill’s sponsors, Senators MCCAIN and FEINGOLD. We are considering this bill only because of the sheer force of their collective will. They have suffered innumerable set-backs pushing for this legislation over the past several years. But they never got discouraged; they never let up. Their dedication to this cause has been extraordinary.

I also want to commend the majority and minority leaders and the bill’s managers, Senators MCCONNELL and DODD, for drafting a way to consider the bill that has been a breath of fresh air here in the Senate. For the past 2 weeks, we have operated in a way the Senate was meant to operate. We have been the deliberative body the Founding Fathers meant for us to be. I hope the spirit in which we have conducted debate on this bill continues long after we vote on its final passage.

Numerous public opinion polls have indicated that the American people overwhelmingly support campaign reform, but don’t rank the issue as a priority. I think that’s because they have grown discouraged about the likelihood of Congress passing such reform. Maybe—just maybe—we will show the American people that we are capable of beating the odds, of coming together and doing something difficult.

With regard to limits, I have beaten back several amendments designed to cripple it or drive away its supporters.

We have defeated the so-called “paycheck protection” amendments that were aimed right at the heart of organized labor.

We have voted to ban soft money, convincingly. That is key.

We have defeated an attempt to strip the bill of the Snowe-Jeffords provisions regarding sham “issue advocacy” by independent, often anonymous, groups that face no donor contribution limits or disclosure requirements.

We have defeated an attempt to make the bill nonseverable.

Most important, we have come to a reasonable compromise with regard to raising some of the existing hard money contribution limits for individuals by modest amounts, and indexing those limits for inflation.

I am proud that I helped to negotiate that compromise along with the senior Senator from Tennessee and several other Members from both sides of the aisle.

The Senate voted 84-16 to approve the compromise we worked out.

Our compromise: doubles the limit on hard money contributions to individual candidates from $1,000 per election to $2,000 per election; increases the annual limit on hard money contributions to the national party committees by $5,000, to $25,000; increases the annual aggregate limit on all hard money contributions by $12,500, to $37,500; doubles the amount that the national party committees can contribute to candidates, from $17,500 to $35,000; and, indexes those limits for inflation.

The Thompson-Feinstein amendment will rein vigorize individual giving. It will reduce the incessant need for fundraising. It will give candidates and parties the resources they need to respond to independent campaigns. It will reduce the relative influence of PACs.

I know that some campaign reform advocates are uncomfortable raising any hard money contribution limits by any amount.

I would argue that modest increases are imperative for the simple reason that the current limits were established under the Federal Election Campaign Act, FECA, amendments of 1974, Public Law 93-443, and haven’t been changed since. That was 27 years ago.

I have spoken previously about how the costs of campaigning have risen much faster than ordinary inflation over the past 27 years these limits have been frozen.

The advantage of modestly lifting some of the limits is that doing so will reduce the time candidates have to spend fund-raising, time better spent with, prospective, constituents.

During this past election, my campaign had over 100 fundraisers. That took time. Time to call. Time to attend. Time to say thanks. And that was time I couldn’t spend doing what my constituents want me to do.

The task of raising ever more money in small contributions unadjusted for inflation is just too daunting, for incumbents and challengers alike.

Particularly in the larger States like California, where television and radio advertising is imperative, it is not uncommon for Senators to begin fundraising for the next election right after the present one ends and they often find themselves “dialing for dollars” instead of attending to other duties.

Let’s be honest with each other and the American people: campaign for office will continue to get more and more expensive because television spots are getting more and more expensive.

Meanwhile, independent campaigns conducted by groups that are accountable to no one threaten to drown out any attempt by candidates or the parties to communicate with voters.

Spending on issue advocacy by these groups, according to the Congressional Research Service, rose from $135 million in 1996 to as much as $340 million in 1998. Then it rose again, to $508 million in 2000. Most of this money is used for attack ads that the American people have come to loathe.

It is likely that spending on so-called issue advocacy, most of which is thinly disguised electioneering, probably will surpass hard money spending, and very soon. It has already surpassed soft money spending.

Clearly, the playing field is being skewed. More and more people are turning to the undisclosed, unregulated independent campaign.

The attacks come and no one knows who is actually paying for them. I believe this is unethical. I believe it is unjust. I believe it is unreasonable and it must end.

We have to raise the limit on hard money contributions to individual candidates and the parties. The pressure on them has grown exponentially, especially now that we are about to ban soft money.

The Thompson-Feinstein amendment the Senate adopted last Wednesday makes S. 27 possible. It becomes easier for us now to staunch the millions of unregulated soft dollars that currently flow into the coffers of our political parties, and replace a modest portion of that money with contributions that are fully regulated and disclosed under the existing provisions of the Federal Election Campaign Act.

People aren’t concerned about individual contributions of $1,000, and I don’t think they will be concerned about donations of $2,000.

No, what concerns people the most about the current system are the checks for $250,000, or $500,000, or even $1 million flowing into political parties.
These gigantic contributions are what warp our politics and cause people to lose faith in our Government and they must be halted. They give the appearance of corruption.

The Thompson-Felstein amendment, by increasing the limit on individual and national party committee contributions to federal candidates, will reduce the need for raising campaign funds from political action committees, PACs. The amendment, therefore, will reduce the relative influence of PACs, making it easier to replace PAC monies with funds raised from individual donors.

The concern about PACs seems unimportant now, compared with the problems that soft money, independent expenditures, and issue advocacy present. But we shouldn’t dismiss the fact that PACs retain considerable influence in our system.

I represent California, which has more people—34 million—than 21 other States combined. I just finished my twelfth political campaign. For the fourth time in 11 years, I ran statewide. Running for office in California is expensive: I have had to raise more than $55 million in those four campaigns.

I can tell you from my experiences over the years that I am committed to campaign reform, and I am heartened that we are close to passing S. 27.

Is it a perfect bill? No. Will it be subject to challenges in court? Undoubtedly. But I think S. 27 is a strong bill and I am optimistic that it will withstand the Courts’ scrutiny. And as I said earlier, it is our best chance at reform in a generation.

We have an electricity crisis in California and much of the West. Our economy shows serious signs of weakening. We definitely have to address these issues, and others.

But the last 2 weeks that we have spent considering S. 27 have been time well-spent. Campaign reform goes to the heart of our democracy. The problem we are really facing is how grey the campaign finance laws are. The last time Congress considered such a thorough overhaul of campaign finance law was 1974. We thought then that regulations placed on hard money would straighten out the system. Instead, the use of soft money to the parties and groups has exploded. We’ve all heard this number over these days of debate, but I think it warrants being mentioned again: Last year’s election parties collected a record $490 million dollars in soft money. That’s obscene. With $490 million, school construction projects could be completed so our kids aren’t learning in overcrowded classrooms. With $490 million, school construction projects could be completed so our kids aren’t learning in overcrowded classrooms.

One of the most important issues facing America today is our political system today. The fact is our political system is dominated by huge contributions to the national parties of “soft money.” Sometimes, these donations circumvent the parties and flow through other avenues that lack public disclosure under the guise of issue advertisements. These large donations and suspect advertisements have cast a cloud of doubt over the entire political process.

And this doubt has caused many Americans to lose faith in the system. The spirit of the ad is what’s important. By attacking only one candidate, that leads to the obvious conclusion that the ad is supporting the opposition. And that should subject the money used to pay for the ad to regulation and disclosure.

Now, there is one area where I differ with McCain-Feingold, and that is in my support for a non-severability clause. The bill, as it now stands, is fair and balanced legislation. Non-severability is the only tool available to guarantee that the balance and fairness of the campaign-finance reform law allowing the Court to strike down individual parts of the bill, we run the serious risk of a final bill that is very different than what was voted on. I am hopeful that the final bill will not encounter opposition by the Supreme Court and that severability will become a non-issue.

I applaud Senators McCain and Feingold for continuing to raise this issue. I believe that we can pass a comprehensive bill and achieve true, bipartisan campaign finance reform.

Mr. NELSON of Florida. Mr. President, I rise today to express my belief that the campaign-finance reform legislation we have before us addresses one of the most important issues facing America today. The influence of special interests and the enormous amount of money required to effectively run a modern political campaign have created a rift between the Congress and the American people.

The fact is our political system today is driven by huge contributions to the national parties of “soft money.” Sometimes, these donations circumspect the parties and flow through other avenues that lack public disclosure under the guise of issue advertisements. These large donations and suspect advertisements have cast a cloud of doubt over the entire political process. And this doubt has caused many Americans to lose faith in the system.

Is the McCain-Feingold bill the answer? It’s the not the total answer, but it’s a step in the right direction. What we need to do is take our best hold and step forward and reform the law, right now.

Banning “soft money” from the system will go a long way toward removing the appearance of corruption that plagues the system today; and, the legislation’s new disclosure requirements will add much-needed sunshine to the process.

Candidates, and the American people have a right to know the identities of the groups and people behind the so-
called issue ads that increasingly dominate the airways during campaign time.

Although I favor public financing, we’re not at the point that we can pass public financing. So what are we going to do? I do favor the system with the legislation we have before us. The people want reform; the country needs it; we should do it.

Mr. NELSON of Nebraska. Mr. President, I rise today to express my opposition to the McCain-Feingold bill. To be clear, I am not opposed to the impetus behind this legislation, which is to reform our current campaign finance system. I concur with my colleagues—who support this bill—that the present system is inadequate and inherently flawed. But, unfortunately, this is where our parallel viewpoints diverge.

While I agree that the present campaign finance system is imperfect, I believe that the McCain-Feingold alternative amendment is even more so. This legislation, once enacted, likely will hurt the status quo more than it will help. And, ultimately, I predict it will foster campaign finance regression, rather than institute campaign finance reform.

From the beginning, I have worked with my colleagues to negotiate a more fair and balanced package that, I believe, would have achieved thorough reform. Key parts such as the Hagel amendment on soft money contributions and the amendment on non-severability are not included in this final bill. Had they been included, these amendments would have made the legislation much more effective and comprehensive, and consequently, much more likely to receive my support.

To be fair and consistent, certain aspects of this final bill are laudable and do have my support. I am pleased that the Snowe-Jeffords provision and the Hagel amendment regarding disclosure are included. Increased accountability and transparency for special interest groups are important to the overall reform effort. Moreover, the Wellstone amendment, which extends the Snowe-Jeffords provision to independent advocacy groups, will help remove the facades behind which these groups hide. For too long, special interest groups have funded so-called issue ads whose main objective is to distort the facts. It is encouraging that this bill, as amended, confronts that issue.

The ability of state parties to carry out traditional activities such as voter registration, is another issue addressed by the Levin amendment, which I was pleased to join as an original co-sponsor. State and local candidates rely on get-out-the-vote efforts and voter registration activities which are usually funded by the state party. Since this campaign finance reform bill, prior to the Levin amendment, would have severely limited state parties, it became apparent that unless such crucial activities are not abolished as well. Without question, I am encouraged by the inclusion of this amendment. It, and the ones regarding increased disclosure, are definitive steps in the direction of genuine campaign finance reform.

That being said, any ground gained by these steps is lost through the ban on soft money. The defeat of the non-severability clause. McCain-Feingold bans soft money contributions only to the national parties. As I have said before, this measure is ineffective, an ultimately unproductive. The soft money ban in the bill will likely be seen by more of a temporary road block than a true dead end. I believe that eventually soft money will find a detour, and it will flow into federal elections from another direction.

A more realistic approach to the un fettered flow of soft money that pollutes our current campaign finance system, would have been to include the Hagel amendment, which would have capped soft money contributions at $60,000. The Hagel measure was pragmatic, practical, and real reform. With the absence of this language in the final bill, we are left with a plan that fails short on efficacy and long on futility.

Without the inclusion of a cap, instead of a ban on soft money to national parties, my support for this bill declined, but the nail on the coffin, so to speak, was the defeat of the severability clause. The non-severability amendment was characterized by its opponents as the “poison pill” of campaign finance reform. Quite frankly, I thing the total package before us today would have been easier to swallow if it had been included.

The non-severability amendment would have prevented the courts from striking down some provisions and leaving others. Once the courts act, it is possible that the McCain-Feingold campaign finance reform law as passed by Congress will look nothing like the McCain-Feingold bill as I voted for it. Soft money will find a detour, and it will flow into federal elections from another direction.

Mr. HOLLINGS. Mr. President, after two weeks of floor consideration, we are now approaching the final vote on the campaign finance reform legislation. I have taken the floor on several occasions over the past two weeks to express my serious concerns with the various provisions of the bill. Given my opinion, exacerbate the very problems the court will save us by finding McCain-Feingold unconstitutional. At least I am sober enough to vote no. The only silver lining in the legislation that will likely pass this evening is a provision I authored that passed, which will give expedited judicial review by the Supreme Court of challenges to the constitutionality of the legislation. All of us, supporters and opponents alike, stand to gain by a prompt and definite determination of the constitutionality of many of the bill’s controversial provisions. Because the harm these provisions will cause is serious and irreparable, it is imperative that we afford the Supreme Court the opportunity to pass on the constitutionality of this legislation as soon as possible.

Let me say again that I commend and respect the authors of this legislation for their attempts to address the troubling and unfortunate public perception about our political system. However, we also must respect the freedom of speech granted to every American by our Constitution. While the bill may alter or change our system of campaign finance, I think it will do little in actually reform it or making it better. In fact, McCain-Feingold, if passed and enacted into law, will, in my opinion, exacerbate the very problems it seeks to address. Nothing is better than something. Therefore, I will vote accordingly and reserve my support for a more comprehensive and equitable campaign finance reform package.

Mr. HATCH. Mr. President, the thrust of McCain-Feingold was to eliminate soft money. Now, the final bill doesn’t eliminate soft money but, rather, redirects it. Soft money has been taken away from the political parties and redirected to special interest groups. The thrust of McCain-Feingold was to minimize the influence of the special interests. It has now become maximized. And finally, the thrust of McCain-Feingold was to eliminate the obscenity of the outrageous amounts of money that it takes in politics to be elected. The final bill now doubles this obscenity. But Senator McCaskill has become such a symbol. McCain-Feingold bans soft money contributions only to the national parties. As I have said before, this measure is ineffective, ultimately unproductive. The soft money ban in the bill will likely be seen by more of a temporary road block than a true dead end. I believe that eventually soft money will find a detour, and it will flow into federal elections from another direction.

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and influence of the special interests. Ironically, special interest power and influence is exactly what the bill’s sponsors purport is wrong with American politics today.

Even more importantly, the party soft money ban is an infringement on the rights of free speech and free association protected by the Constitution’s First Amendment. It appears to violate several decisions of the U.S. Supreme Court, particularly the holding of Bork v. Buckley. The ban will severely weaken the ability of parties to engage in electoral advocacy.

Yet, political parties have the same First Amendment rights as any other group. The restrictions on political party speech, without any specific showing of a potential for corruption or other necessity for doing so, and not on the speech of other associations and individuals not only infringes the First Amendment, but it also violates the principle of equal protection of the laws that the Due Process Clause of the Fifth Amendment guarantees.

The other main provision of the bill is the so-called Snowe-Jeffords proviso. Under current law the only electoral activity that may constitutionally be regulated is so-called “express” advocacy, that is, speech that expressly advocates the election or defeat of a candidate. All other political speech is termed “issue” advocacy, which the government can almost never regulate.

Snowe-Jeffords blurs the distinction between the two categories of speech by creating a catch-all third termed “electioneering communications.” Merely “referring to a clearly identified candidate” magically turns here-tofore protected issue advocacy into regulated electioneering communication. This part of the McCain-Feingold would coerce disclosure of donors’ identities, and this disclosure would destroy the right to free association recognized in various Supreme Court cases.

Snowe-Jeffords also completely bans corporate and union political “electioneering communication” speech. Again, this term sweeps in issue advocacy, which Congress may not ban, unless they meet the strict scrutiny standards prescribed by the Supreme Court, which in my opinion Congress has failed to do. Government has no business in the issue of whether to protect the opinions of business or labor. They are already prohibited, and I bet most Americans do not know this, directly contributing to candidates. This is important because the possibility of bribery, and even the appearance of a quid pro quo, is already ameliorated by law. Therefore, no justification exists for censoring the opinions of corporations and labor unions that this provision mandates. It too violates the Constitution’s free speech requirements.

I believe there is an electioneering protection problem in that the media is exempted from Snowe-Jeffords. Now, let me say that I love the media, as I do any institution that brings knowledge to the American people. But the media should not have more rights to free speech than any other group, and McCain-Feingold gives the media a monopoly. Some Americans feel that the media is already all-powerful. Personally, I believe that is a bad thing. But if this bill passes, they very well might be.

I have often said that I am an advocate of Oliver Wendell Holmes’ view of the First Amendment. In the marketplace of ideas, the remedy of the wealthy and powerful buying speech is not censorship. This is not the American way. The remedy is more speech. We Americans have always banded together and pooled our money to compete. Joining is the American way. Banning is not. Let’s have competition, no censorship.

I do admit that a problem exists within our system of government. That problem, the real problem, is that people feel detached and disassociated from their government. They feel that others, whomever they are, the rich, the special interests, labor, business, just not them—have more access to their leaders and more influence with them than the American people want more. They want more access, more accountability, more of a say in the decisions that affect their daily lives.

I suggest that the solution is not making it more difficult for people to get involved in politics. It’s not shutting down the parties, which represent the most accessible means for most people to engage in political activity.

Real campaign finance reform will only come when the size of the federal is reduced. Until that happens, there will be a powerful incentive for special interests to seek a piece of the federal pie. Real campaign finance reform is passing a tax cut so that the people will be able to spend their own money instead of buying their representation. The big money on behalf of special interests. That is what I have fought for in my 25 years of public service in the Senate.

My esteemed colleagues from Arizona and Wisconsin have spent countless hours doing what they believe is the right thing, their efforts are laudable. I sincerely applaud them for the work that they have put into this debate. However, I must vigorously disagree with their solution. More specifically, the legal answer is the answer that the correct way to solve the problem is to lift the limits on contributions; increase disclosure; and stiffen the penalties.

Unfortunately, my attempts to increase disclosures by corporations and labor unions were defeated, probably because of the pressures by the same special interest labor unions, that the authors of this legislation wanted to address. But today, instead of advocating these policies, I must oppose the McCain-Feingold attempt to turn the so-called “reform movement” away from the very dangerous path down which it is now proceeding. Hopefully, at some point, we can discuss some real, and I must say Constitutional alternatives.

Let me focus on Title I of McCain-Feingold and describe why I believe the bill is likely to have constitutional challenges. Title I of the McCain-Feingold is entitled “Special Interest Influence.” Indeed, this is the primary intent of the entire bill—to diminish the “influence” of so-called “special interest groups.” While I cannot fault the bill’s supporters for their intentions, I must say that the bill effectively solves the problem that it seeks to. Indeed, passage of McCain-Feingold will increase the influence of special interests, and it will do so by effectively ruining the political parties. I will not support McCain-Feingold, in part, because it, in my opinion, unconstitutionally suppresses the voices of the political parties.

In its effort to regulate “soft money,” McCain-Feingold has two dramatic adverse effects on political party activity. First, it dramatically limits the issue advocacy, legitimate and organizational activities of political parties. Second, it imposes federal election law limits on the state and local activities of national political parties.

It is important to recall the U.S. Supreme Court’s comment in Colorado Republican Party v. Federal Election Commission. The American people want more. They want more access, more accountability, more of a say in the decisions that affect their daily lives. When they do these things, they are just doing their historic job as good citizens. The notion that they are somehow corrupt for doing so is both strange and constitutionally infirm.

Let me first describe the beneficial role of political parties in American democracy. I don’t need to tell any of my fellow Senators what political parties do or how they do it. Nor do I need to tell them that the focus of political parties is to win elections. They also already know how the parties go about winning elections. For the most part the parties do it by spending money. They spend their money—their own money—to promote their views and convince others of them. They fund activities like voter registration drives, get out the vote activities, and advertising.

Political parties have many beneficial effects on American democracy. The Senate recognized their importance when it passed the FECA in the mid-1970s and expressed its desire to strengthen political parties. The Committee Report accompanying FECA observed then that “a vigorous party system is vital to American politics.” It was true then, and it remains true today. The Committee Report stated that parties perform “crucial functions in the election apart from fund-raising.”
In our country, while one man has one vote, inevitably citizens will gather to pool their votes into blocks. It has always been this way, and it will continue to be so regardless of whatever legislation we pass. The problem with these interest groups or voting blocks is that they focus on their own very narrow issues and not on what is best for the country as a whole.

James Madison identified these groups as “factions.” He noted in The Federalist 10 that there are no means of controlling the “evils of faction that are consistent with liberty. The only way to eliminate faction is to eliminate liberty, which is worse than the disease” of faction.

Madison’s celebrated solution to the problem presented by factions—embodied in the Constitution—was to create a system that pitted interest groups against each other and so as to bring the best ideas to the top. The sheer size of the new republic—and its subsequent growth—made fractionalism a problem presented by factions. Madison did not envision parties or interest groups political parties that would arise as a result, regional and other interest groups balance each other out to an extent. Political parties continue this process of moderation.

Parties fill a vital role because they must appeal to the entire nation. You will recall that the goal of parties is to win elections. They can only do this by laying out broad policy platforms that will appeal to wide groups of people. They offer a broad and encompassing vision of governance. Party leadership has to craft a message that will allow its candidates to win election in all 50 states. Contrast the role of parties to special-interest groups, which only want to pursue their specific goals. Their leadership is not seeking to win elections in states throughout the union, but typically only the passage of a narrow set of legislation.

Allow me to add that I am not disparaging these special interest groups. They play an extremely crucial role in our democracy as well. They are not the problem, as they are essential to our democracy. They heighten the public’s and Congress’ awareness of key issues. They have a role to play, but so do the political parties. I do not want to favor one over the other, and that is what McCain-Feingold will do. No soft money for political parties, but unlimited amounts to special interest groups.

However, political parties are not just about electing candidates, particularly federal ones. Political parties constitute a vital way by which citizens come together around issues and values expressed in the planks of their party platforms—at all levels of government. Parties advocate these issues in the public forum in addition to lobbying for legislation and engaging in efforts to elect candidates. Parties are just as much about the promotion of issues as are ideological corporations, such as the National Right to Life Committee or The Christian Coalition of America, and labor unions, such as the American Federation of Labor and Congress of Industrial Organizations, although with a broader spectrum of issues. McCain-Feingold ignores this reality and treats political parties as simply federal candidate election machinery.

Now, the big point the supporters of McCain-Feingold make in support of the soft money party ban is that large contributions to political parties create undue influence or an appearance of impropriety. This is not even a gross exaggeration. It is simply wrong.

Philip Morris, the largest donor to the Republican National Committee during the 1998 cycle, gave approximately $2 million in soft money, but this represented less than 1 percent of the total that the Republican National Committee raised. Similarly, the Communication Workers of America, the Democrat’s largest soft money donor, gave $1.5 million to the Democratic National Committee, but also represented less than 1 percent of its total.

It doesn’t make sense to conclude that an entity that contributes less than 1 percent of a party’s funding could have any effect on the party’s policies. The parties must keep in mind the goals of the other interests to which they also have to appeal. A more likely explanation for the largesse is that the donors to both parties support the policies they already espouse.

I would also like to note that whatever influence a large donation made to a political party gives the donor, and, yes, I am pragmatic enough to realize that it does grant the donor a certain amount of access, the effect of donations is diluted among all of the party’s elected officials, the 200 plus Senators and Representatives in either party. Also, because soft money donors give money directly to which candidate or race their money should flow, they sometimes support losers. I make these points to demonstrate that soft money donations are greatly diluted and do not pose the same “appearance of corruption” that direct contributions to candidates do. Importantly, the Supreme Court has clearly stated that First Amendment rights can only be regulated where there is corruption or an appearance of corruption.

As is apparent, McCain-Feingold will dramatically weaken political parties. In the last election cycle, the Democratic Party raised $243 million in soft money—fully 47 percent of its total. The Republican Party raised $244, 35 percent of its total. Under McCain-Feingold, the parties would lose this important source of funding, and this shortfall could not be filled by simply wishing into existence more hard money. It doesn’t take a Fields Award winner in math to determine that this will dramatically hinder the parties’ ability to effectively deliver their messages. Such a law would accordingly weaken the ability of parties to participate in the public debate, while simultaneously enhancing the relative power of special interest to dominate that debate. I believe that McCain-Feingold will effectively end the system of two-party government that we now know. And this would not be a good thing.

Political parties already complain that interest group spending threatens to marginalize parties as interest groups increasingly control the agenda, crowding out political party commentary, and confuse the electorate. A ban on political party soft money would exacerbate this situation. Voters would have a less clear idea of the party agenda, and parties would find it more difficult to translate election returns into public mandate. Effective government would suffer.

Parties fill a vital role in our political system. In the Information Age, narrow, specialized interest groups are sprouting up, and organizing themselves. In times like these, we need to maintain the party system rather than weaken it, as McCain-Feingold will do.

Let me highlight why McCain-Feingold is unconstitutional as it relates to political parties. Let me begin by asking a question, “if individuals and narrow interest groups enjoy the basic First Amendment freedom to discuss issues and the position of candidates on those issues, how can political parties, which have wide bases of interests that are necessarily tempered and diffused, be deprived of the right to engage in such issue advocacy?” My answer is simply that they should not be deprived of their rights.

I note at the outset of this analysis that political speech and association are at the heart of the First Amendment protections. As the United States Supreme Court declared in Buckley, the Constitution, has its fullest and most urgent application precisely to the conduct of campaigns for political office. The Court has also stated that free expression in connection with elections is “at the core of our electoral process and of the First Amendment freedoms. [(Williams v. Rhodes, 393 U.S. 23, 32 (1968)].” Thus, as the Supreme Court noted, “there is practically universal agreement that a major purpose of the First Amendment was to provide for access to the process and of the First Amendment protections.” [(Williams v. Rhodes, 393 U.S. 23, 32 (1968)].” Thus, as the Supreme Court noted, “there is practically universal agreement that a major purpose of the First Amendment was to provide for access to the process and of the First Amendment protections.”

Mills v. Alabama, 384 U.S. 214, 218 (1966).) Efforts by Congress, the FEC, and state election commissions to regulate issue advocacy have been repeatedly and consistently rebuffed by the Federal courts as violations of the First Amendment right to free speech. No fewer than 26 state- or federal court decisions have made clear that interest-group advertising or pamphleteering that does not expressly advocate the election or defeat of a candidate cannot,
consistent with the First Amendment, be subject to contribution or expenditure limits, or even reporting limits. Yet this is exactly what McCain-Feingold seeks to do.

In Buckley v. Valeo, the Supreme Court ruled that restrictions on political giving and spending interfere with political debate. Such restrictions survive under the First Amendment only if justified by a compelling government interest in preventing corruption or the appearance of corruption. These restrictions must also be narrowly drawn to achieve that interest. Soft money, under current law, is used by political parties to expressly advocate the election or defeat of a candidate. Rather, it is used in large part for issue advocacy, which the Supreme Court and numerous lower courts have helped may not be regulated. Thus, McCain-Feingold would apparently treat as contributions the speech of a political party in support of its issue advocacy.

McCain-Feingold prohibits the ability of political parties to allocate resources to issue advocacy by restricting the resources available to them. Thus, it infringes on the political parties’ right to free speech.

However, proponents of abolishing “soft money” claim that this is simply a “contribution limit.” The fallacy of that argument, of course, is that the Supreme Court has justified contribution limits only on the ground that large contributions directly to candidates create the reality or appearance of quid pro quo corruption. Soft money contributions are not contributions to candidates:

Indeed, the proposed ban on soft money contributions cannot be justified on the ground that political parties corrupt federal candidates, which the Supreme Court has already rejected. In Colorado Republican v. FEC, Fed. Election Comm, the FEC took the position that independent, uncoordinated expenditures by political parties ought to be treated as contributions to the beneficiary candidate. Such treatment would have resulted in allowing individuals, candidates, and political action committees to spend unlimited amounts of money on independent expenditures to advocate the election of a candidate, while limiting the amount a political party could spend for the same purpose.

The Supreme Court disagreed with the FEC, noting that “[w]e are not aware of any special dangers of corruption associated with political parties” and, after observing that individuals could contribute more money to political parties than to candidates, $1,000, and PACs $5,000, and that the “FECA permits unregulated ‘soft money’ contributions to a party for certain activities,” the Court concluded that the “opportunity for corruption increases as the opportunity for contributions is, at best, attenuated.” The Court continued in this vein with respect to the FEC’s proposed ban on political party independent expenditures, which has direct application to McCain-Feingold’s ban on soft money contributions.

Rather than indicating a special fear of the corruptive influence of political parties, the legislative history [of the Act] demonstrates Congress’ general desire to enhance what was seen as an important and legitimate role for political parties in American elections.

We therefore believe that this Court’s prior case law controls the outcome here. We do not see how a Constitution that grants to individuals the right to engage in political committees the right to make unlimited independent expenditures could deny the same right to political parties.

The concurring justices also found little, if any, opportunity for party corruption of candidates because of their very nature and structure.

The Supreme Court found in the MCFL case that the prohibitions on corporate contributions and expenditures could not be constitutionally applied to non-profit ideological corporations which do not serve as a conduit for business purposes. Fed. Election Comm. v. Mass. Citizens for Life, Inc., 479 U.S. 238 (1986) Similarly, political parties similarly pose no risk of corruption because people give money to parties precisely because they support what the political party stands for.

A contribution to a political party is for the purpose of enhancing advocacy of the issues the party supports. Any individual unhappy with the use of the money may simply quit contributing and leave the political party. In sum, the threat of corruption cannot justify a limit on issue advocacy and, even if it could, political parties pose no threat of corruption to their candidates.

In sum, in Colorado Republican Fed. Election Comm, the Supreme Court found that, just as independent expenditures of interest groups pose no danger of corrupting candidates, neither do those of political parties.

A second constitutional infirmity with McCain-Feingold results from the proposed unequal treatment of political party speech in relation to speech by other groups. A non-party group may use funds that it collects from its members to engage in issue advocacy. McCain-Feingold would extensively regulate and burden political party issue advocacy.

The final constitutional defect of McCain-Feingold’s soft money ban on political parties is its insult to the federalist system. Under a provision of the bill, state and local parties are directly affected by the party soft money ban as a result of the broad and unqualified definition of “federal election activity”, which governs political party expenditures if even a single federal candidate appears on the general election ballot, no matter how many state and local candidates also appear on the ballot.

In simpler terms, under McCain-Feingold, in those even numbered years in which typically federal congressional elections occur, state and local parties may only use federally regulated hard money for any voter registration within 120 days of the election; All voter identification, get-out-the-vote or “generic campaign activity” before the election. The bill defines “generic campaign activity” as “an activity that promotes a political party and does not promote a candidate.” Thus, it would even include yard signs that say “vote Democrat” or “support the GOP.” Any TV, radio, newspaper ad, billboard, mass mailing, telephone bank, leafleting or other “public communication” that mentions a candidate for federal office—whether or not it also mentions a candidate for state or local office. The only statements of any fact or local party employee who spends 25% or more of the employer’s compensated time in a single month on any of the above activities or any activities in connection with a Federal election.

This constitutes an unprecedented federalization of the most basic party-building functions engaged in by state and local party committees.

Forty-five states hold elections for state and local candidates only during the even numbered years in which federal elections occur. The only states that do not are Virginia, Kentucky, Louisiana, New Jersey, and Mississippi. Consequently, for these forty-five states, state and local party mechanisms become enmeshed and subject to federal regulatory authority. Imposition of federal contribution limits on national parties would improperly arrogate authority over state campaign financing decisions to the federal government.

Again, recognizing that a prohibition of soft money donations to national party committees alone would be wholly ineffective, McCain-Feingold seeks to impose soft money restrictions on state parties as well, even though state party activity is thoroughly regulated by state campaign finance laws.

The money spent on elections has consistently increased over the years, and no one believes that McCain-Feingold is going to reverse that trend. Rather than stop soft money, the bill will simply divert it into other channels, ones that are more opaque, less accountable, and represent narrower interests than do the national parties.

What do you suppose the result of this bill will be? In a recent New York Times article, entitled “Big Donors Unfazed by Prospect of Soft Money Limits,” dated March 24, it was reported that if Congress banned party soft money, most big donors would evade the ban by writing big checks to advocacy groups allied with candidates and the national parties as a way to get their pet projects and issues before the public.

The problem with such a result is that these non-party groups are completely unregulated, as they should be. We cannot constitutionally compel them to disclose their activities, and so citizens will have no way of knowing who is actually behind the efforts. This is an expected and unintended effect of McCain-Feingold. Money will be more hidden, and people will feel less responsible for their democracy, as they have
no control over these groups as they do over the parties. Despite the fact that it is unintended, it is nevertheless practically inevitable.

It is important to remember, that soft money donations to political parties do not go unregulated, as Bobby Birtchfield noted in the Senate Rules Committee hearings on Campaign Finance last year. First, both receipts and disbursements of soft money by political parties are currently reported to the FEC, and are available on the Internet. Second, much of the activity financed by soft money is regulated by state election law. Finally, political parties cannot use the soft money they raise—nor can candidates—to advocate the election or defeat of a candidate for federal office.

Let me conclude with wholeheartedly agreeing with these observations of Alan Reynolds of the Manhattan Institute. I quote:

"On the face of it, the McCain-Feingold obsession with "soft money" looks fishy. Soft money accounts for less than 16 percent of federal campaign expenditures according to Common Cause. And campaign expenditures do not come in some of the most important ways of influencing policy, such as lobbying and issue ads. Lobbying cost $2.7 billion in 1997-98, according to the Center for Responsive Politics (CRP), while Common Cause counted soft money collections of merely $189 million during those years. Lobbyists would be wise to lobby for a ban on soft money, because they would then have even more clout and more money.

Everyone in Washington knows who the most politically powerful groups are, and most of them do not even appear on lists of top soft money donors. Fortune asks lawmakers and congressional staffers to name the most politically powerful organizations. In 1999, the top 10 were the AARP (American Association of Retired Persons), the NRA (National Rifle Association), the National Federation of Independent Businesses, the American Israel Public Affairs Committee, the AFL-CIO, the Association of Trial Lawyers, the Chamber of Commerce, the National Rifle Life Committee, the National Education Association and the National Restaurant Association. What gives most of these groups political clout is not contribution of soft money to political parties, but well-informed lobbying, public policy advertising, and in some cases (such as AARP, the NRA and the AFL-CIO) the ability to influence a large number of members’ votes. — Alan Reynolds, “The Economics of Campaign Finance Reform,” The Washington Times, March 22, 2001.

I believe, no, I know, that we are not a corrupt body. The United States Senate is made up of fine and exemplary men and women, with whom I am proud to associate. I also know that Americans are able to discern the truth of political matters, and that more speech, not less, will allow them to make well-informed decisions. Finally, I know that the American people should be able to give money in support of whatever cause they choose. Whether it’s a group of 10,000 or a single person, their right to speak should be upheld. I urge my colleagues to vote against this bill.

Mr. DASCHLE. Mr. President, Mark Twain once noted that politicians’ biggest objection to "tainted" money is, "taint mine." My colleagues, today we stand on the verge of proving that saying wrong.

In the last two weeks, we’ve achieved some things in this Senate that few people thought, going into this debate, were possible.

We have had a real debate. We have reached bipartisan agreements. We have stood together, Republicans and Democrats, and rejected amendments that would have made this bill unworkable.

And we have accepted amendments that improve the bill.

Thanks to the hard work of Senator WELLSSTONE, we broadened the Snowe-Jeffords provision to bar sham issue ads so that all outside groups are treated equally.

Thanks to the hard work of Senators TORRICELLI, CORZINE, DURBIN and DOR-\[
\]

AN, we lowered the cost of campaigns by ensuring that the stations that enjoy the benefit of federally licensed airwaves give candidates the lowest unit cost for their political advertisements.

Thanks to the hard work of Senator SCHUMER, we put new teeth into the limits on the vast sums of money national parties may spend on coordinated expenditures for candidates.

Moreover, we turned back destructive amendments aimed at silencing the voices of working people.

I will be honest, this bill is not perfect.

It now includes increases in the amount of hard money that may be contributed to candidates and parties. I believe we must reduce the amount of money in politics—no matter the form. Still, I supported this amendment reluctantly, and only because it allowed this bill to move forward, and to reach this important vote.

The bill also includes an unworkable scheme for financing opponents of wealthy candidates that, in my view, favors incumbents and unwisely multiples the amount wealthy individuals can contribute to candidates.

These flaws are not insubstantial, but the benefits of this bill far outweigh them. And when it comes to an issue as central to our democracy as the trust people place in elected officials, we cannot let the perfect be the enemy of the good.

And make no mistake this is a good bill.

We owe that to the stewardship and commitment of Senators MCCAIN and FEINGOLD.

Throughout these last two weeks, Senators MCCAIN and FEINGOLD have shown the same steadfast leadership that brought us to this point.

They have refused to compromise the essential components of their bill in face of incredible pressure from all sides.

And they have acted in the national interest rather than their respective partisan interests.

I thank them for their service to our republic and to this Senate.

I also want to thank Senator DODD for his management of this bill for our side.

Senator DODD has managed to ensure that every viewpoint within our caucus is heard and accommodated. We would not be discussing this bill without Senator DODD’s commitment to our caucus, to our nation, and to reform.

I also want to thank Senator MCCONNELL, who has been honest in his disagreement with this bill, and fair in his billing of it.

This is indeed the way the Senate should work. A Senate that brings up bill, gives members an opportunity to legislate, and entertains deep and meaningful debate—is a tribute to us all.

It is also a Senate that gets things done.

The McCain-Feingold bill does not address every flaw in our campaign system. But, as Senator FEINGOLD has said so often: ‘It does show the public that we understand that the current system doesn’t do our democracy justice.’ And it curbs some of the most egregious injustices in that system.

There are those who have argued, and will continue to argue, that in an attempt to make things better, we will only make things worse.

Since its founding, the goal of America has been to strive for that “more perfect union” our founders envisioned. They knew that the amount wealthy individuals want to make things better begs the question, “Is what we have now good enough?” I believe that if you look at the rising tide of money in politics, the influence that money buys, and the corrosive effect it has on people’s faith in government, the answer is clearly no.

Ours is a government “of the people, by the people, and for the people.” It is not a government of, by, and for some of the people.

This bill will help put the reins of government back into the hands of all of the people.

I hope that we pass it, I hope that our colleagues in the House will follow suit, and I hope the President will sign it.

It has taken us a long time to get to this point.

The last time Congress tried to strengthen our political system by loosening the grip of special interest money was 1974, more than a generation ago.

Congress may not have another chance to pass real campaign reform for another generation, long after most of us will have left here.

The decision we make today, whether to pass this bill or not, will likely have a profound impact on each of us for the rest of our time here.

More importantly, this decision will have a profound impact—for better or worse—on the kind of system, and the kind of America, we leave to our children.

As a wise man once said on another occasion: “We cannot escape history.”
This is a critical moment in our nation’s history.

What we do will be remembered for years to come.

Success is within our reach.

Let us remain united. Let us pass this bill today to take the power away from the special interests and give it back to the American people, where it belongs.

We can do it. The time is now.

Mr. THURMOND. Mr. President, I rise today to express my opposition to S. 27, the so-called Campaign Finance Reform bill. My opposition is based on three conclusions I have reached regarding this measure. First, the legislation is unconstitutional; second, the legislation will hinder rather than encourage citizens from participating in the political process; and third the legislation will push more political money into the shadows of undisclosed special interest spending.

The bill, on its face is unconstitutional on at least three counts. The measure restricts free speech, the right of association, and the right of persons to petition their government for redress of grievances.

The underlying premise of their campaign finance reform legislation is the proponents claim that there is too much in political campaigns, and the increasing reliance on influence of third-party interests groups. While there is a legitimate concern regarding the fairness of elections and the need to eliminate the actual or perceived buying and selling of elections, this bill take the wrong approach.

To address concerns of the reality or appearance of improper influence stemming from candidates dependence on larger campaign contributions, a number of campaign and election reforms were enacted during the 1970s. These reforms imposed limits on contributions, required disclosure of campaign receipts and expenditures, and set up the Federal Election Commission, FEC, as a central administrative and enforcement agency. This framework has been upheld by the Courts and works well. Campaign contributions and expenditures are fully reported, giving all voters the opportunity to know the basis of support of a particular candidate.

I supported the amendment to raise the limit of campaign contributions. The limits was established in 1974, and inflation has lessened the value of the 1974 dollar to about 35 cents. More importantly, regulated and disclosed contributions of a reasonable amount assist candidates in publicizing their message. Democracy can only be improved by more political discussion and participation. Yet, supporters of this bill apparently seek to reduce political funding and associated political discourse.

The bill’s limitations on political expenditures are similar to prior expenditure limits struck down by the Supreme Court’s landmark Buckley v. Valeo ruling [424 U.S. 1 (1976)]. In that case, the Supreme Court invalidated limitations on independent expenditures, on candidate expenditures from personal funds, and on overall campaign expenditures. These provisions, the Court ruled, placed direct and substantial restraints on political speech and association, and associations to engage in protected First Amendment rights.

The legislation that will likely be adopted in this measure includes limitations on independent groups who wish to gather together and to petition their government for redress of grievances. The limitations on party funding and activities extend to voter registration, get-out-the-vote drives, and public communications, including advertising, mass mailings and phone banks.

The purpose of political parties is to identify and elect candidates who support the policy views by members of the party. Members of political parties have a constitutional right to gather together and to petition their government for the redress of grievances. The pending legislation restricts the ability of candidates to raise the funds for legitimate party activities, and to adequately publish the message of the party. Again, this impedes political participation and only helps incumbents maintain their advantage in the electoral process.

The bill will have the consequence of pushing political spending from the regulated and disclosed “hard money” side into the unregulated, undisclosed world of third-party independent expenditures, and set up the Federal Election Commission, and the courts should there be any misunderstanding about these provisions in the bill.

We intend that this re-
New section 323(d)—We intend that this restriction on the raising of non-federal money by the parties, their officials, or entities controlled by parties or their officials for tax-exempt purposes should only apply to 501(c) organizations that have made or intend to make disbursements in connection with a federal election, including Federal election activities defined by the bill. Thus, charitable contributions to groups like the Red Cross are not restricted as long as those groups do not use money donated by the public for Federal election activities. Furthermore, the 527 organizations referred to in new section 323(d)(2) are not intended to include party committees or authorized campaign committees of state or local candidates. Finally, nothing in this provision is intended to affect the prohibition on state and federal candidates and officeholders raising or spending non-federal money.

The definition of “Federal election activity” in section 103(b) was modified by the Specter amendment. That amendment is intended to provide that if subclause (ii), which describes a certain type of public communication, is included in the definition then an additional limitation on that type of public communication is to be added, narrowing the reach of the definition.

The requirements in the new section 304(d) added by section 103(a) of the bill are not intended to apply to authorized campaign committees and their candidates whose only expenditures on Federal election activities do not refer to a Federal candidate.

Only the direct costs of producing and airing electioneering communications is intended to be included in determining whether a person reaches the $10,000 aggregate amount that triggers the reporting requirements of Snowe-Jeffords.

The reference to a clearly identified candidate is intended to mean a candidate who is up for election in that two-year cycle. Therefore, if one Senator is up for election in a cycle, an ad that appears within 60 days of an election and mentions only the second Senator for that state happens to be traveling in the state where a true issue ad is broadcast happens to reach a small number of households in another state, or because a few people from the candidate’s state happens to be traveling in the state where a true issue ad is run.)

A communication that mentions a candidate in the context of announcing or promoting a non-partisan candidate debate or forum is not intended to be considered an electioneering communication.

The Snowe-Jeffords provision is intended to have no effect on the determination by the Internal Revenue Service of what kinds of activities tax-exempt organizations are permitted to engage in under the Internal Revenue Code.

John McCain; Russ Feingold; Thad Cochran; Carl Levin; Fred Thompson; Joe Lieberman; Susan Collins; Chuck Schumer; Olympia Snowe; John Edwards; Jim Jeffords; Maria Cantwell; Dick Durbin.

Mr. FEINGOLD. Mr. President, I rise to reflect on the road this legislation has traveled, and thank the many Members of this body, past and present, who have helped to bring us to this moment.

It has been a long road to this moment, and we wouldn’t even have begun this journey without your integrity, dedication and the courage of my good friend from Arizona. He is a great legislator, a great leader, and, above all, a great friend. He and I have been in this fight for many years, and my respect for him has only grown with every challenge we have faced together.

We have gotten to this moment because of his leadership first and foremost, but also because of the leadership of some colleagues who have given this bill their support along the way. I want to take a few moments to recognize some of the Members who have contributed to this legislation.

I want to thank our earliest supporters, who gave their support to the McCain-Feingold bill when it was first introduced in the 104th Congress. Senators such as John Glenn, Paul Simon, Nancy Kassebaum-Baker, and Alan Simpson believed then and now that bipartisan support when this effort was just getting off the ground. This kind of bipartisan bill wasn’t totally unprecedented but it was pretty unusual, and the support of those distinguished Senators lent important credibility to our effort in its early days.

I thank Senator LIEBERMAN, who has been a steadfast supporter of reform, and who helped to build crucial momentum for this legislation with his leadership on the 527 disclosure bill in the last Congress. The success of that legislation was a great breakthrough after so many years when any reform effort was stonewalled by our opponents. The day that that bill passed the Senate, I remember thinking that enactment of the McCain-Feingold bill was not going to be far behind.

And of course the great breakthrough at the beginning of this Congress was when Senator COCHRAN joined us in introducing this bill. I have great respect for Senator COCHRAN, and his support on this issue has been invaluable. I cannot thank him enough for his commitment to this legislation. Once he joined our effort, he was with us with every ounce of determination and grace that he brings to all of his work here in the Senate.

One of our newest Members, Senator MARIA CANTWELL, also gave us important momentum when she made campaign finance reform a central issue in her campaign, and gave this bill her strong support. After her victory, the oft-repeated claim that no Senator has devoted a great deal of their time, and their skill as debaters, to this bill, and I am very grateful for their efforts.

The efforts of Senator OLYMPIA SNOWE and Senator JIM JEFFORDS to craft the phony issue ad provision have been essential to this legislation. They worked tirelessly to put together a balanced provision that gets at the root of the problem while also protecting them from the political exigencies of the time. Their hard work and dedication have been crucial.

The Snowe-Jeffords provision is an integral part of our bill, and their mastery of this topic was invaluable to us.

I want to particularly thank Senator CORKY ROBERTS, who has provided very important support, during the last 2 weeks, indeed during every debate we have had on this bill since 1996. His insight on the substance of the issue, and on the workings of this body have been absolutely crucial to the advancement of this legislation. Senator LEVIN is as tenacious and committed as any Member of this body. We truly would not be here today if he were not on our team.

I am deeply grateful to Senator FRED THOMPSON for the steadfast support of this bill, and for his great skill and fairness in negotiating an agreement on hard money limits that the vast majority of this body supported. If that agreement were not reached, we would not be poised to pass this bill. I also want to pay special tribute to Senator THOMPSON for the work he did investigating the 1996 campaign finance scandals.

I also want to thank former distinguished colleague Senator SUSAN COLLINS for her invaluable contributions to this effort. She came on board our bill as a fresh- man Senator in 1997, in spite of tremendous pressure from her caucus. Over the years she has worked together with many of our colleagues. She has been a tireless advocate for reform, a terrific ally in this fight, and I’m proud to call her a friend and a colleague.

I also want to thank private advocates, such as John Glenn, Paul Simon, Susan Collins, and the Independent Voter and the Democratic Preparedness Group, for the tremendous work you did investigating the 1996 campaign finance scandals.

Mr. President, I rise today to pay tribute to Senator LEVIN for the leadership and hard work he did investigating the 1996 campaign finance scandals.

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And finally, I thank the Democratic Leader, Senator TOM DASCHLE, for everything he has done to bring about the success of this legislation. In the fall of 1997, the entire Democratic Caucus united behind this legislation, and that unity has been crucial to our success.

But when this debate began 2 weeks ago, a skeptical press corps wondered if the Democrats would be able to pass reform. We are about to cast this vote on final passage because TOM DASCHLE was true to the principles of this party and led our caucus to follow through on the commitment we made to the American people over 3 years ago. I am proud of the bipartisan effort we have made, but I am also proud to be a Democrat, and I deeply appreciate the solid support of my caucus on many crucial votes over the past two weeks. That is a long list of thank you’s, but they are all well deserved.

In closing, Mr. President, five and a half years after Senator McCaIN and I
first introduced this bill, we are about to have the first up-or-down vote on final passage of this legislation. I have been so proud to be part of a bipartisan coalition of Senators who have brought this bill to this moment and, of course, I am proud to be associated with JOHN MCCAIN. I say to the Senator, this has been a heartening experience.

With every test over the last 2 weeks, our coalition has grown stronger and more determined to end sham issue ads, improve disclosure, and, most of all, ban soft money which makes this Senate so vulnerable to the appearance of corruption. I urge each and every Member of this body to support this bill. It’s time for the Senate to step up to the plate, as we open this baseball season, to do what needs to be done.

Mr. President, I am especially proud to be associated with this bill to this moment and, of course, have been so proud to be part of a bipartisan final passage of this legislation. I have been nearly washed away by the influx of corruption. I urge each and every one of us to vote in favor of this bill, S. 27, on the Senate floor, that this legislation will significantly reduce the amount of sham issue ads run in the days before an election. Finally, the national parties which in the past have contributed significant sums of money to these outside groups will not be in a position to do so with the abolition of soft money.

So, Mr. President, while I understand these concerns, and realize to some extent we are all stepping into unknown territory with the enactment of this legislation, there are a number of moderating influences in the bill that should avoid the draconian effects suggested by some of our colleagues.

I would also, Mr. President, like to add a statement to my colleague from Texas, Senator GRAMM, the other night. He said in his statement opposing this legislation on the Senate floor, that this legislation would prohibit him from selling his house and using all of the money from that house to support a candidate of his choice. The Senator was passionate about how wrong such an outcome could be. But, Mr. President, the legislation would not create such a prohibition. Senator GRAMM and any other individual in the United States could sell everything he or she owned and use it to promote such a candidacy. This bill would not prevent that. The Supreme Court has said that is a right guaranteed to everyone under the Constitution. What this legislation does and what the Supreme Court says is permitted under the Constitution, is prohibit Senator GRAMM from using the proceeds of the sale of his house to contribute to a candidate or a political party in amounts that exceed the limits established by the Federal Election Campaign Act. And I expend an unlimited amount of money in support of a candidate, so long as those expenditures are not coordinated with a candidate. But an individual cannot contribute an unlimited amount of money to a candidate, because Congress has determined and the Supreme Court has affirmed, unlimited or large contributions can create the appearance of corruption which can damage the institution of democracy.

Mr. President, I also want to say a few words about the so-called Millionaire Amendment we adopted. That amendment was sponsored by Senators DOMENICI, DeWINE and DURBIN. It is a complicated proposal and one with which we had insufficient time to work. It needed more consideration in order to achieve the fair result that I believe we intended. I am also concerned that the amendment as drafted, although improved by the Durbin Amendment, is still too advantageous to incumbents and too
cumbersome to administer. I hope this can be addressed at a later stage or even in subsequent legislation, and I hope the Federal Election Commission proceeds carefully and with extensive public comment when implementing the statutory language. The intent of the Durham amendment was to reduce the incumbency advantage that the original amendment created when it allowed a well-funded incumbent to use the increased contribution limits even though the incumbent’s expenditures and other contributions far exceeded the millionaire challenger’s. The Durham amendment tried to reduce the effect of the original amendment by requiring the millionaire to reach one-half of the amount of expenditures plus cash on hand that the incumbent has before the higher limits are triggered. While this is an improvement, I think we need to work with the numbers to see if another approach would be preferable.

Mr. President, 25 years ago this Congress passed a pretty decent campaign finance law.

Individuals aren’t supposed to give more than $1,000 to a candidate per election, or $5,000 to a political action committee, or more than $20,000 a year to a state or federal committee, or more than $25,000 total in any one year for all contributions combined.

Corporations and unions are prohibited from contributing anything to a candidate except through carefully prescribed political action committees. The limit of a corporate or union PAC contribution is $5,000 per candidate.

I actually have a number of questions for the Chairman of the Finance Committee and the Majority Leader regarding the way the system has evolved over the past 15 years or so has effectively destroyed the contribution limits. The loophole is huge—so huge that you can’t give more than a limited amount to a candidate and have it be legal. And that is true when the identities of the contributors and the amounts of their contributions are fully disclosed.

The Buckley Court at several points in the opinion endorses the concept that unlimited contributions are enough, by themselves, to create the appearance of corruption and to justify the imposition of limits.

In Nixon v. Missouri Government Shrink PAC, decided in January of last year, the Supreme Court was presented with a challenge to campaign contribution limits established by the state of Missouri. In that case, Justice Souter, speaking for a majority of the Court, clearly upheld the Buckley decision.

But the soft money loophole that has evolved over the past 15 years or so has effectively destroyed the contribution limits. The loophole is huge—so huge that you can’t give more than a limited amount to a candidate and have it be legal. And that is true when the identities of the contributors and the amounts of their contributions are fully disclosed.

Soft money has blown the lid off the contribution limits of our campaign finance system.

Look at the most recent data with respect to soft money contributions. In the 1996 election—a Presidential election year—Republicans raised $140 million in soft money contributions; Democrats raised $65 million. In 1998, even without a Presidential election, Republicans raised $131 million in soft money contributions and Democrats raised $91 million. The 1997–98 combined soft money total was 115% more than the 1993–94 total. And in the 1999–2000 campaign cycle, the Congressional Research Service reports that Republicans and Democrats both raised about $240 million. That’s money from corporations and unions—who are not supposed to be giving any money at all. To the tune of approximately $280 million of the almost half billion in soft money to the parties came from corporations and unions—$175 million from individuals. And that’s money from individual contributors in sums often in six figures—hundreds of thousands of dollars. According to the Center for Responsive Politics, in the 1999–2000 campaign cycle 365 individuals gave the parties $120,000 or more for a total amount of over $98 million—when the limit on individual contributions is supposed to be $1,000 .

The soft money loophole has eaten the law.

As many commentators, colleagues and constituents have said, practically speaking, there are no limits. And the truth is, Mr. President, the public is offended and disgusted by this spectacle of huge contributions and well they should be. We should be, too. Because in order to get these large contributions, access to government is and has been sold. We sell access to government meetings to people with the power to affect the life or livelihood of the person being solicited creates an appearance of impropriety and a misuse of power. People who are in power are asking for large sums of money for access to them.

This is done openly. Marlin Fitzwater, Press Secretary to former President Bush said it clearly in 1982 when he said, “It’s part of the system, yes. That’s what the political parties and the political operation is all about.” Former Senator Paul Simon made a similar observation a number of years ago on the Senate floor. That’s why, over 25 persons—corporations and individuals gave over $100,000 each to both parties. They didn’t contribute because of shared values, obviously. They contributed to cover their bets—to make sure they had access to the winner. They had enough money to do that. That’s how far this system has fallen. The parties advertise access. It’s blatant. Both parties do it. Openly.

Invitation after invitation sells access for large contributions. From 1996: For a $50,000 contribution or for raising $100,000 a contributor gets:

- Two events with the President.
- Two events with the Vice President.
- Invitations to join “Party leadership and fundraising as a key to current and developing political and economic issues in other countries.”
- Monthly policy briefings with “key administration officials and members of Congress.

An invitation to the 1997 RNC Annual Gala says a contributor who raises $250,000 will be entitled to have lunch with the Republican Senate and House Committee Chairman of the contributor’s choice.

That’s what we’re openly offering for sale for large contributors and that’s what contributors are often buying. Both parties do it, and there are dozens of examples.

One invitation in 1997 to a Senatorial Campaign Committee event promised that large contributors would be offered “plenty of opportunities to share [their] personal ideas and vision with” some of the top leaders and senators. Failure to attend, the invitation said, means that you could lose a unique chance to have influence on the legislative policy debates—debates that will affect your family and your business for many years to come.”
One letter from a Senatorial Campaign Committee invited the recipient to be a life member of the party’s Inner Circle. It said that $10,000 will “bring you face-to-face with dozens of our Senators, including many of the Senate’s most powerful Committee Chairmen.”

Another solicitation offered, for a contribution of $10,000, the choice of “attending one of 60 small dinner parties. A Senate’s Administration officials and other national leaders. Personal relationships are fostered at informal meetings throughout the year in Washington, D.C.”

Another solicitation offers lunch at the White House with the President and his wife. It also goes so far as to say that “Attendance at all events is limited. Pledges of limited. Benefits based on receipts.” That means you don’t get the benefit until the cash is in hand. Pledges of contributions are not enough. That’s how blatant these offers to purchase access have become.

The sale of access to small, private meetings is the product of the soft money loophole. The amounts we see on these solicitations aren’t $1,000 and $2,000 contributions. They’re large—$50,000 or $100,000 contributions in soft money. The soft money loophole has increased and intensified the sale of access. The soft money loophole is swallowing our political system whole.

Do these large money contributions create an appearance of personal access and improper influence by big contributors? Yes. Look at the kinds of articles that are being written about the ups and downs of pending legislation. Many of them draw links—in my mind unfair—between large soft money contributions and legislative activity. Here’s one from the Wall Street Journal on the bankruptcy legislation. It even has a chart of all the organizations in the Coalition for Responsible Bankruptcy Laws and the amount each contributed to the Democrats and Republicans. Here’s a similar one from the New York Times. The opening paragraph reads: “A lobbying campaign led by credit card companies and banks that poured millions of dollars into political donations to members of Congress and contributed generously to President Bush’s 200 campaign is close to its long sought goal of undermining the nation’s bankruptcy system.”

Here’s a recent article from the New York Times linking large soft money contributions to ambassadorships. Here’s another Wall Street Journal article from last year talking about the so-called “wish list” of large contributors for the Bush campaign. I recall, of course, we are all well aware of the stories linking President Clinton’s pardons to campaign contributions.

These articles are the evidence of the appearance of impropriety created with large soft money contributions.

In Buckley v. Valeo, the Supreme Court also answered “yes” to the question whether large contributions create the appearance of improperity. It found an appearance of corruption created from the size of the contribution alone, without even looking at the sale of access.

If we noted, “Congress was justified in concluding that the interest in safeguarding against the appearance of impropriety requires that the opportunity for abuse inherent in the process of raising large monetary contributions be eliminated.”

Add to the equation the actual sale of access for large contributions, and you have an even greater “opportunity for abuse” and the appearance of corruption.

Soft money contributions are not used just for get out the vote or voter registration activities, which is how the loophole got started in the first place. The truth is they are most often used to create ads that appear in thousands of spots in support of and against individuals candidates. The truth is, while the parties claim these ads are issue ads, they clearly have one purpose—to help elect or defeat a particular candidate.

The Brennan Center analyzed all of the ads from the 1998 election ads paid for with hard money (candidate ads), and ads paid for with soft money (sham issue ads) and they found practically no difference. Although the Supreme Court in Buckley attempted to define a candidate ad as one actually promoting the election or defeat of a candidate through the use of words such as “vote for” or “vote against,” the Brennan Center found that over 90% of the candidate ads, didn’t do that—they didn’t say “elect” or “defeat” or “vote for” or “vote against” a particular candidate. They were, it appears, virtually indistinguishable from the sham issue ads directed at a particular candidate. They were, it appears, virtually indistinguishable from the sham issue ads directed at a particular candidate and paid for with soft money.

In the 1996 Presidential campaign, the Democratic National Committee ran ads on welfare and crime and the budget which were basically designed to support President Clinton’s reelection. At our hearings on the campaign finance system, Harold Ickes was asked about these DNC ads and the extent to which the people looking at the ads would misunderstand and think they were a vote for President Clinton. “I would certainly hope so,” he said. “If not, we ought to fire the ad agencies.”

Listen to this ad from the Republican National Committee on behalf of their Presidential candidate, Bob Dole.

Voice Over: Bob Dole grew up in Russell, Kansas. From his parents he learned the value of hard work, honesty and responsibility. So when the call went out he answered. He was seriously wounded in combat. Paralyzed, he underwent nine operations.

Mr. Dole: I went around looking for a miracle that would make me whole again.

Voice Over: The doctors said he’d never walk again. But after 39 months, he proved them wrong.

A Man Named Ed: He persevered, he never gave up. He fought his way back from total paralysis.

Voice Over: Like many Americans, his life experience and values serve as a strong moral compass. The principle of work to provide a welfare system. The principle of accountability to strengthen our criminal justice system. The principle of discipline to end wasteful Washington spending.

Dole: It all comes down to values. What you believe in. What you sacrifice for. And what you stand for.

That ad was paid for with soft money contributed to the Republican National Committee. And that’s argued as permissible under current law, because that ad doesn’t explicitly ask the viewer to vote for Bob Dole. It spends its whole time talking positively about him just before the election. If it added 4 words at the end that say what the ad is about, “Vote for Ed,” it would be treated as a candidate ad, not an issue ad, and would be subject to the hard money limits. Well, any reasonable person who hears that ad knows it is an ad supporting the candidacy of Bob Dole. It is not welfare or wasteful government spending. And in my book, it should have to be paid for with regulated or hard money contributions. That isn’t the case today.

So, Mr. President, the truth is that this kind of candidate advertising, which should clearly be subject to contribution limits, escapes those limits through the soft money loophole. And it’s that soft money loophole that the bill before us would close. It would ban the solicitation or receipt of soft money by the national parties; it would ban the solicitation or receipt of soft money by the candidates or their representatives.

Mr. President, the large majority of the American people want campaign finance reform. The large majority of the American people want us to clean up our act. We’re the only ones who can do it.

As the Supreme Court said in Buckley, an appearance of corruption is “Inherent in a system permitting unlimited financial contributions.” And permitting the appearance of corruption undermines the very foundation of our democracy—the trust of the people in the system. We have a duty to protect our democratic institutions from being undermined by the open sale of access for large contributions which people believe reasonably translates into influence. It’s time to step up to the plate.

Mr. President, I want to extend my deepest thanks and appreciation to the two Senators who made this moment possible Senator John McCain and Senator Russ Feingold. They have been warriors in this fight for campaign finance reform. They have pushed this this when it wasn’t popular to do so, and they have made what many thought impossible a reality. It took guts and
savvy, and I commend and congratulate them. I also commend our Democratic Leader, Tom Daschle. Without his strength and vision, this legislation would not have happened. Senator Daschle steered a course for our side that I believe was on the right path. I don’t know if anyone else could have done what he did—and, as always, he does it with grace and wit and charm. I commend Senator McConnell for his very strong and fair fight. He is as dedicated to this provision as we are to ours. He is an intimidating opponent and has our respect for his dedication and perseverance. I know he is not happy with the outcome, but I believe his dire predictions will be unrealized. I also want to congratulate Senator Dodd on his tireless and brilliant service as the Democratic floor manager. His ability to capture the essence of an issue and related it to real life so we can all understand it is impressive. He served the Senate well in this open-ended and somewhat unpredictable debate. I also want to thank the staff who worked so hard and so diligently on this effort. Bob Schiff and Mark Busse did a magnificent job at the center of this great spinning wheel of legislation; they combined both excellent legal and political skills to keep the bill on track. Kennie Gill served everyone well as the staff floor manager. Laurie Rubenstein provided excellent legal advice, and Andrea Labus did a great job keeping the Democratic Leadership informed. I also want to thank Linda Gustitus and Ken Saccoccia of my staff for their endless time and truly extraordinary effort. It is certainly rewarding that their hard work has paid off with the passage of this bill.

**Loan Payback Provision**

Two weeks ago the Senate passed an amendment to this bill that allows an increased amount of individual contributions to federal campaigns if a candidate is challenging a “so-called” millionaire candidate. Included in that amendment was a provision that prohibits candidates from repaying personal loans over $250,000 with contributions from other persons. This provision was enacted on a prospective basis; in other words, this provision would not apply to any candidate loans incurred before the enactment of this legislation.

I would like to give my good friend from Arizona, Senator McCain, whether it is his understanding that the underlying intent in making this provision prospective is because this is the only fair and reasonable approach in this situation. Does the Senator from Arizona agree that it would be unreasonable and unfair to expect a candidate who conducted a campaign according to one set of rules to have to retroactively attempt to apply new rules? Isn’t applying this provision on a prospective basis the only fair and reasonable approach?

Mr. McCain. The Senator’s understanding is correct on the interpretation of the loan payback provision. It is intentionally prospective because it would be unfair to do otherwise.

Mr. Levin. This vote counts. It is real, it is not a signal or a message.

I thank the Chair and commend our good friends, Senators McCain and Feingold.

Mr. Dodd. Mr. President, I yield 1 minute to the Senator from Mississippi, Mr. Cochran.

Mr. Cochran. Mr. President, while many Senators have had a very active and effective role in bringing us to this point on this legislation, I think we should not forget that there are two Senators who really deserve real credit—Senators McCain and Feingold. Because of their perseverance, determination, and effective leadership, they have brought us to the point where we are nearing passage of this legislative reform effort of the Federal Election Campaign Act. While nobody can be certain exactly what the implications of all of the provisions will be, I am convinced we are going to see this effort as a major step toward improving the Federal election campaign system and restoring the confidence of the American people in the integrity of the political process. That is very important, and I am very glad to have been a part of it.

Mr. Dodd. Mr. President, I yield 1 minute to the Senator from New York, Mr. Schumer.

Mr. Schumer. Mr. President, at the beginning of this debate I pleaded with my colleagues to not let the perfect be the enemy of the good, and praise God we have. Have we? Is this bill perfect? No, far from it. Is it good? A heck of a lot better than the present system, you bet it is.

I thank our leader, Senator McCain, particularly for his courage, and Senator Feingold, particularly for his integrity and leadership, and Senator Daschle and Senator Dodd for keeping our party together.

I also thank all my colleagues in the Senate. Today and these past 2 weeks represent the Senate at its best. Every time a crippling amendment came up, we rose to the occasion and defeated it. This is the Senate the Founding Fathers envisioned.

Mr. President, my guess is, if Jefferson or Madison or Washington were looking down on this Chamber today, they would smile.

Mr. Dodd. Mr. President, I yield for the Senator from Tennessee, Mr. Thompson.

Mr. Thompson. Mr. President, this is a good day for the Senate. It demonstrates once again that this body can respond to its public’s needs. Even the casual observer must agree that our change from a system of the small contributor to the huge contributor is not good for this country. To those who say we are launching off into uncharted territory, I say that now this might affect us as politicians or our political committees in Washington, I say that we as elected officials can never be harmed if our country is benefitted. We as elected officials can never be harmed if we are doing something that increases the public trust. And if we are, Mr. President, so be it, because we must know that we are doing the right thing.

Mr. President, twenty-seven years ago Congress decided to fix a campaign finance system that was clearly broken. The American public was scandalized and increasingly concerned about the integrity of the political process. In 1974, the President signed into law the Federal Election Campaign Act. Unions and corporations had long been prohibited from contributing to campaigns, and that year Congress decided to limit the amount of money an individual could give to candidates and parties to avoid corruption, and just as important, the appearance of corruption, in our system. Those limits on contributions were upheld by the Supreme Court in Buckley v. Valeo. The Court stated, “[T]he Act’s primary purpose—to limit the actuality and appearance of corruption resulting from large individual financial contributions—provides a constitutionally sufficient justification for the $1,000 contribution limitation.” The Court also upheld the constitutionality of limits on contributions to political parties. The Court found such limits serve to prevent the $1,000 limitation on contributions to candidates by an individual “who might otherwise contribute massive amounts to a particular candidate through the use of unmarked contributions to political committees likely to contribute to that candidate or huge contributions to the candidate’s political party.”

Just last year, the Supreme Court reaffirmed the position it took in Buckley v. Valeo. In Nixon v. Shrink Missouri PAC, the Court upheld an individual contribution limit of $1,050 under Missouri law and found, “[T]here is little reason to doubt that sometimes large contributions will work actual corruption of our political system and reason to question the existence of a corresponding suspicion among voters.”

In the years following the passage of FECA, amendments to the Act and certain FEC regulations and rulings attempted to clarify the law, particularly as it related to state parties. Mr. President, I ask unanimous consent that the statement by campaign finance expert and scholar Tony Corrado, a professor at Colby College, that explains thoroughly the origin and rise of soft money, be printed in the Record.

The Acting President pro tempore. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. Thompson. Mr. President, in short, in the late 1970s, Congress and the FEC attempted to address concerns by state parties regarding their use of non-Federally regulated funds in elections involving both state and federal candidates. The Commission determined that state parties could use non-
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Federal money, also known as soft money, to fund a portion of activities related to federal elections. The national parties soon argued that those rules applied to them as well since they also participated in state and local elections. By the mid-1980s, both parties were actively raising soft money in the millions of dollars, primarily for voter registration drives and turnout programs conducted by state party committees. By 1992, the national party committees raised about $80 million and spent over half a billion dollars in soft money. Without objection, it is so clear that their contributions were vital to the dollars in soft money. One study by the Brennan Center for Justice revealed that only four percent of hard money, candidate ads in 2000 used the “magic words” outlined in Buckley. So the sham issue ads purchased with party soft money became virtually indistinguishable from general election ads paid for by hard money. In fact, according to one study, soft money has become the primary source of funding for party ads that promote the election or defeat of federal candidates. In addition, soft money was used to influence vote choices, voter registration, and virtually every aspect of the parties’ campaign efforts in connection with federal campaigns.

In short, soft money is now such an integral part of federal elections that it has effectively subverted the hard money limits in the Federal Election Campaign Act. Mr. President, I refer my colleagues to a September 21, 2000 memorandum written by Lawrence Noble, then-General Counsel for the FEC regarding soft money be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See Exhibit 2.)

Mr. THOMPSON. Mr. President, in 1995, the Clinton-Gore campaign began using soft money to fund candidate speculations. I argued that because these ads did not use “magic words” such as “vote for” or “vote against” that they were not campaign ads and thus could be funded with soft money. The Republican Party soon followed suit, and the demand for soft money increased exponentially. Soft money receipts by the two major parties exceeded $260 million in 1996.

There was little doubt at that point that the soft money raised by the parties was being used for campaign purposes. While addressing a group of DNC donors in 1996, President Clinton made clear that their contributions were helping his campaign.

[We even gave up one or two of our fund-raising events to the end of the year to try to get more money to the Democratic Party rather than my campaign. My original strategy had been to raise all the money for my campaign so I could spend that money next year being president, running for president, and raising money for the Senate and House Committees and for the Democratic Party. And then we realized we could run these ads through the Democratic Party, which meant that we could raise money in twenty and fifty and hundred thousand dollar lots, and we didn’t have to do it all in thousand dollars, and run down—you know what I can spend which is limited by law. So that’s what we’ve done. But I do have to tell you I am very grateful to you. The contributions you have made in this have made a huge difference.

In addition, the President participated in strategy meetings, helping to develop ads that were funded both by his campaign and the DNC. The Final Report of the Special Investigation of the Governmental Affairs Committee contains examples of some of the sham issue ads which were clearly intended to influence the presidential campaign. The sham money loophole.

These ads raised by the sham issue ads created a money chase that resulted in contributions of tens and hundreds of thousands of dollars being exchanged for access to the highest levels of government. The Final Report of the Senate Governmental Affairs Committee’s year-long Special Investigation documents numerous examples of actual and apparent corruption resulting from the solicitation and contribution of soft money. I also refer my colleagues to a September 21, 2000 memorandum written by Lawrence Noble, then-General Counsel for the FEC Agenda Document No. 90-85, recommending new rules limiting the receipt of soft money by national party committees and explaining the reasons for such a proposal, including an explanation of the real and apparent corruption resulting from soft money.

Revelation of the campaign finance scandals did nothing to stem the tide of soft money and its use for electioneering. In the 2000 election cycle, the parties raised nearly half a billion dollars in soft money. One study by the Brennan Center for Justice revealed that only four percent of hard money, candidate ads in 2000 used the “magic words” outlined in Buckley. So the sham issue ads purchased with party soft money became virtually indistinguishable from general election ads paid for by hard money. In fact, according to one study, soft money has become the primary source of funding for party ads that promote the election or defeat of federal candidates. In addition, soft money was used to influence vote choices, voter registration, and virtually every aspect of the parties’ campaign efforts in connection with federal campaigns.

In short, soft money is now such an integral part of federal elections that it has effectively subverted the hard money limits in the Federal Election Campaign Act. Mr. President, I refer my colleagues to a study entitled “The End of Limits on Money in Politics: Soft Money Now Comprises the Largest Share of Party Spending on Television Ads in Federal Elections” by Craig Holman for the Brennan Center for Justice which further emphasizes this point.

As in 1974, Congress is about to fix a campaign system that is clearly broken. The McCain-Feingold bill will restore a campaign finance system that has been completely thwarted by loopholes created in the late 1970s. Once again, Congress will prohibit union and corporate, which mention a candidate within a three-week period of the general election, from soliciting, receiving, directing, transferring or spending soft money. Second, state parties are prohibited from spending soft money on federal election activities, such as “issue ads” that promote or attack a federal candidate and get-out-the-vote activities of a federal candidate. Third, Federal officeholders and candidates are prohibited from raising or spending soft money, or directing soft money to a party or other entity.

Three provisions work together: each of them is an essential part of closing the soft money loophole and ensuring that national parties, federal officeholders and federal candidates use only funds permitted in federal elections to influence federal elections, and that state parties stop serving as vehicles for channeling soft money into federal races to help federal candidates. In the last election, for example, Republican and Democratic Senate candidates raised $14 million through committees, joining with party committees, to raise unlimited soft money donations. The joint committees then transferred the soft money funds to their Senate party committees, which in turn raised the money and spent it on behalf of state parties, which spent the soft money on “issue ads,” targeted get-out-the-vote and other activities promoting the federal candidates who had raised the money. As a result, soft money is currently raised by federal officeholders and candidates for political parties and then used by these parties on expenditures to help elect the candidates to federal office.

In order to prevent corruption and the appearance of corruption, the bill breaks the nexus between soft money donors and federal officeholders and candidates by banning these federal officeholders and candidates, and their national party committees, from raising, spending, or keeping soft money.

Under this bill, there are no restrictions on state parties raising funds under state law, and using them solely to effect state elections. The only restrictions apply to circumstances where money is being used to affect federal elections and where absent those restrictions soft money would continue to pour into federal races through the state parties.

In addition, McCain-Feingold includes a provision marginally known as Snowe-Jeffords which requires disclosure for some groups running ads which mention a candidate within a certain number of days of an election. In addition, it prohibits such ads from being funded from the general treasury funds of corporations and unions. As has been pointed out by Senators SNOWE and JEFFORDS, these sham issue ads are clearly intended as election ads and just as clearly have that effect. I refer my colleagues to the following documents which demonstrate that sham issue ads have the effect of express advocacy and should be regulated by Congress: “Dictum Without Data: The
The financing of political parties has been a source of controversy for the better part of the last two decades. As major party revenues have grown from $60 million in 1976 to more than $1.2 billion in 2000, advocates of reform have issued increasingly sharp and well-grounded critiques of party fundraising practices. Most of this criticism has been directed toward party soft money finance, a specific form of funding that was not anticipated when the Federal Election Campaign Act (FECA) was first passed in 1971, but emerged in the 1980s in response to a series of regulatory decisions. In recent years, soft money contributions have become a staple of political fundraising, reaching a total of more than $487 million in 2000, or ten times more than the amount received in 1988. This type of fundraising occurs outside of the scope of federal laws, so it provides national party organizations with a means of soliciting unlimited contributions from individuals, gifts from sources such as corporations and labor unions that have long been banned from giving money in federal elections. In recent elections, federal elected officials and national party leaders have argued that these contributions of $100,000 or more from such sources, including more than 100 gifts of more than $1 million in 2000 alone. These large sums have fueled the growth of soft money and its importance in national elections. They have also encouraged party committees to find new ways of spending soft money, including methods that Congress has not sanctioned.

The flow of money in the 1996 and 2000 elections demonstrates how dramatically the world of party fundraising has changed since the amendment of the Federal Election Campaign Act (FECA) in 1974. Regulatory changes have created a new legal environment for organizing and directing contributions to the types of unlimited contributions that were supposed to be eliminated after Watergate. Innovations in party campaign strategies have created new approaches to spending that have encouraged national party organizations to spend unlimited amounts on election-related activities. Most important, parties have moved beyond the kinds of “party-building” activities specified in the FECA to place greater reliance on television and radio advertising, especially candidate-specific advertisements. Enforcement of campaign financing rules is financed in large part with soft money that is channeled through state party committees. Parties have thus adapted to the act’s regulatory framework in unexpected ways. These innovations and the success party committees have had in avoiding financial restraint is best understood by reviewing the impact of the law on the way states national party committees have reacted to the new regulatory regime.

The Rise of Soft Money

FECA limits on party funding were first put in place in 1976 elections, and questions about the legal status of different types of party financing immediately arose. Traditionally, party organizations had spent significant sums on activities such as voter identification efforts, get-out-the-vote programs, generic party advertising (messages like “Vote Democratic—It’s Good for the Nation”), and the production of bumper stickers, buttons, and slate cards, that might indirectly benefit federal candidates, or solicit direct assistance to a particular candidate. Were these expenditures governed by the new spending ceilings?

Under the act’s original guidelines, the costs of many of these activities, especially grassroots campaign materials such as bumper stickers, lawn signs, and slate cards that mentioned federal candidates, could be considered in-kind campaign contributions subject to the law. This became a particular concern in the 1976 presidential election. Most parties chose to concentrate their limited resources on certain “grassroots” political activities, thus reducing the role of party organizations in national elections.

The 1979 FECA amendments: Expanding hard money spending

Congress responded to these concerns by accepting a recommendation made by the Federal Election Commission to ease the restrictions placed on party contributions and expenditures, which were included in the 1979 FECA amendments, changed the legal definition of “contributions” and “expenditure” to exclude the amendments on certain “grassroots” political activities, provided that the funds for those activities were raised in compliance with FECA. This change was designed to encourage parties and political organizations to pay for certain specified activities that might indirectly benefit a federal candidate without having to count this spending as a contribution under the act. Its purpose was to encourage state and local parties to engage in supplemental campaign activity in hopes of promoting civic participation in the electoral process.

In changing the law in 1979, Congress sought to allow party committees to spend unlimited amounts on certain, limited types of election-related activity, which were clearly specified in the law. It did not allow national party organizations to receive unlimited contributions or to accept corporate or labor funds. It did not allow “soft money.” Any gifts received by a national party committee were still subject to the limits. The 1979 revision thus did not create “soft money”; it simply exempted any federal monies (“hard dollars”) a party committee might spend on certain political activities from being considered a contribution to a candidate under the law. Furthermore, the activities that were to be considered exempt under this provision were narrowly defined. Basically, the 1979 law specified three types of state and local party activity that committees may undertake and noted certain restrictions that govern their activities. These activities did not include the use of mass political public advertising.

First, state and local party committees were allowed to prepare and distribute nonfederal materials, such as pins, bumper stickers, brochures, posters, yard signs, and party newspapers. These may be used only in connection with volunteer activities and may not be distributed by direct mail or through any other general public advertising. These materials were limited to advertising for state party committees and delivered to the local committees or paid for by funds donated by national committees for this purpose. Nor may money be used to purchase materials for a particular federal candidate.

Second, state and local party committees were allowed to prepare and distribute slate cards, sample ballots, palm cards or other printed listings of three or more candidates for any public office for which an election is held in the state.

Third, state and local party committees were allowed to conduct voter registration and turnout drives on behalf of their parties’ presidential and vice-presidential nominees, including the use of telephone banks operated by volunteers, even if they are developed and trained by paid professionals. However, if a party’s House or Senate candidates are mentioned in such drives in a more incidental way, the costs of the drives allocable to those candidates must be counted as contributions to them.

Congress clearly noted that this exemption did not extend to broadcast advertising. In permitting the production of certain types of material by the states in excess of the limits on expenditures on voter drives, the act specifically noted in Section 431 that these activities did not involve the use of any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising. In other words, the Congress did not allow the use of mass public political advertising under the exemption established in 1979.

Congress thus gave party organizations broader leeway to spend federal funds with respect to election-related activities. In addition to direct contributions and coordinated expenditures, party organizations could spend unlimited amounts on voter registration and identification, certain types of campaign material, and voter turnout programs. Congress supported this revision because these tasks were considered important “party-building” activities that would help develop organizational support for party candidates and increase citizen participation in electoral politics.

FEC Regulatory decisions: Opening the door to soft money

So in 1979 Congress authorized a circuitous form of unlimited party expenditures. But it did not sanction unlimited spending on activities designed to assist a particular candidate for federal office. Nor did it open the door to unrestricted fundraising or party committee receipt of corporate or labor donations. Instead, it was the Federal Election Commission, the agency created to enforce the law, that first interpreted the rules governing party fundraising and gave birth to a new form of funding: soft money.

Under provisions of the act had raised another major issue with respect to party financing: how to accommodate the federal and nonfederal roles of party organizations. These are the activities that are authorized for all activities conducted in connection with federal elections. But party organizations also play a significant role in nonfederal contests, legislative elections, and campaigns for major local offices. Their financial efforts in these races are governed by state election laws, which may be much more permissive than federal law. For example, most states allow parties to accept...
corporate and labor union contributions, and, as of 1992, sixteen states had placed no limit on individual gifts, while nineteen had no limits for PAC giving. National party organizations advocated corporate contributions for nonfederal purposes that are not allowed in federal elections.

The issue of nonfederal party funding first arose in 1976, when the Illinois Republican State Central Committee asked the FEC for guidance on how to allocate nonfederal and federally regulated funds in paying some of their general election administrative expenses as well as the expenses of voter registration and get-out-the-vote drives that would benefit both federal and state races. The National party sought the FEC’s opinion in part because Illinois allowed corporate and labor contributions that were not permitted under federal law.

In its Advisory Opinion 1976-72, the FEC clearly stated that corporate or labor union money could not be used to finance such federal election—related activities as a voter registration drive: “Even though the Illinois law apparently permits corporate contributions for State elections, corporate-labor contributions may not be used toward any portion of a registration or get-out-the-vote drive conducted by a political party.”

However, the FEC did approve the use of nonfederal funds to finance a portion of the party’s overhead and administrative costs, since these costs—for example, rent, utilities, office supplies, salaries, and other expenses—support the administration of activities related to both federal and nonfederal politics. The agency approved an allocation formula based on the proportion of federal to state elections being held that year, with greater weight given to federal races. To pay these costs, the Illinois party had to establish separate federal and nonfederal accounts, which were legal under Kansas law, in a voter drive that would benefit both federal and state candidates. Specifically, the Kansas asked the Commission how they should allocate funds between federal and nonfederal purposes for their voter registration and get-out-the-vote efforts. In a surprising ruling, two Republican commissioners switched their earliest positions and joined two Democratic Advisory Opinion 1976-10, which reversed the 1976 decision. Instead of prohibiting the use of corporate and union money, the agency declared that the Kansas party could use these funds to finance a share of their voter drives, so long as they allocated their costs to reflect the federal and nonfederal shares of any costs incurred. In other words, the agency approved the idea of allocating federal and nonfederal money to federal and nonfederal expenses. As a result, the amount of soft money continued to grow at a dramatic rate. In all, the national party committees raised about $60 million in soft money. This included substantial amounts of soft money that were raised by the national senate and congressional campaign committees. While the Democratic Senate Campaign Committee raised $45 million in soft money, the Republicans raised $6 million by the National Republican Senatorial Campaign Committee.
Most of the soft money spent in 1992 was spent in ways designed to support the election of federal candidates. The major share of the soft money raised in both parties was devoted to targeting the fund that was set aside for soft and hard money operations that were designed to influence federal and nonfederal elections. Examples of such activities include the costs of fundraising efforts, the administrative expenses associated with soft money operations; the monies paid for generic campaign materials and advertisements for the Democrats and the Republican; and expenses for phone banks and other voter identification and turnout projects that assist party candidates at all levels.

The most prominent form of joint activity was generic advertising, especially television advertising. Gulf Coast advertising, which remained the most important component of the party activities, both parties invested heavily in generic television ads that were designed to bolster the prospects of their candidates. These ads were financed with a combination of hard and soft money. Overall, the Democrats spent about $14.2 million on ads and the Republicans spent about $11 million. The Republicans basically followed the strategy employed in previous elections, since it had proven to be successful. The Democrats spent substantially less on generic advertising. For the Democrats, however, this emphasis on party advertising represented a new approach to general election campaigns. While the party did broadcast some ads in 1988, the total amount spent was only $1 million. Many of the ads broadcast by the party committees were designed to reinforce the message of the party’s presidential nominee. The Democrats, for example, used soft money to finance ads that did not mention Bill Clinton. Despite this willingness (at the time to be a violation of federal law) but did hammer home the message on the economy that was the foundation of Clinton’s campaign. These ads also helped to free up resources that the Clinton campaign could use for other purposes. During the last week of the campaign, for instance, the Clinton campaign was running tight on money and thus decided to use campaign resources to buy a half-hour of national television time as opposed to additional broadcast time in the states. The Clinton campaign, however, did not leave Texas unattended; instead, the national committee broadcast generic ads in the state to spread the party’s message. The Bush campaign adopted a similar strategy, relying on party ads to shore up support in traditional Republican strongholds and in crucial battleground states like Texas and Florida.

Parties also raised soft money as a vehicle for providing direct financial assistance to state and local committees. In 1992, about a quarter of the funds raised nationally by the two major parties were transferred to state and local party committees. These funds provided an important tool with the resources needed to conduct activities that they would otherwise not be able to afford. These funds are often used to purchase, update, and computerize voter lists; to develop targeting programs; to pay fundraising expenses; and to hire party workers and poll watchers on election day. While both parties received money on these types of activities in 1992, the bulk of the funds transferred to state parties were used for generic phone bank programs designed to identify party voters and to encourage them to return the vote.

According to FEC disclosure reports, most of the state party organizations received a share of the soft money funds raised by their respective national committees. In 1992, both parties spent nearly $6 million. The Democrats transferred almost $9.5 million in nonfederal funds to 47 states. Federal funds were sent to all 50 states. With this hard money added, the total amount sent to state committees was $14.3 million. The Republicans sent about $3.3 million in nonfederal funds and about $5 million in federal funding to 43 states, for a total of about $8.8 million.

Most of the soft money spent to state committee targeted states that were considered essential to a presidential victory. The Democrats disbursed two-thirds of the nonfederal funds to 32 battleground states. These ten states, which contained 219 electoral college votes or 33 percent of the total needed to win, included most of the large states and three key Southern states that the Democrats thought they could win—Georgia, Louisiana, and North Carolina. The Republicans also disbursed about 70 percent of their soft money to ten states. These states, which contained 190 electoral votes or 70 percent of the number needed to win, also included a number of states that were important to them except for Colorado.

The Federal Election Commission (FEC) issued a ruling in 1990 that such ads are not federal campaign expenditures. Since money from nonfederal sources could be used for such ads, the FEC has different pay-outs for these ads. The FEC has highlighted the importance of this ruling in its enforcement activities. In 1991, the FEC issued a decision that would allow the use of soft money for these ads. The FEC has also issued a decision that would allow the use of soft money for these ads.

According to estimates by Common Cause, the Democrats spent $34 million on pro-Clinton ads during the last three months of the election. This included $12 million in federally regulated “hard money” and $22 million in soft money. The DNC managed to spend such a large proportion of soft money by transferring funds to state party committees and having these communities purchase the ad time. In other words, they were able to spend on the ads. They were able to spend on the ads mostly with soft money because the FEC has different pay-out regulations for national and state party organizations. This perfectly legal act of subterfuge allowed the party to conserve its hard money, which was valuable because it is more difficult to raise than soft money.

The Democrats focused their ad campaign on twelve key general election battleground states. The party spent over $1 million in each of these states, including over $4 million in California, Combined, these twelve states represented a total of 221 electoral college votes. Clinton eventually won all of them except for Colorado.

The DNC’s spending and Clinton’s financial advantage entering the final months of the campaign encouraged the Republican National Committee (RNC) to adopt a similar strategy. The RNC had spent another $44 million in the general election campaign. In May, one day after Dole decided to resign from the Senate to devote himself to full-time campaigning, RNC Chair Haley Barbour announced a $30 million issue advocacy advertising campaign that would be conducted during the period leading up to the Republican national convention in August. The purpose of the campaign, said the chairman, would be to “show the differences between Dole and Clinton and between Republicans and Democrats on the issues facing the country.” As we concluded, this campaign was one of the most consequential elections in our history.” In essence, the campaign was designed toassist Dole, who had basically no chance, by providing the additional resources needed to match Clinton’s anticipated spending in

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the remaining months before the nominating conventions. By the end of June, the RNC had already spent at least $41 million on ads promoting Dole’s candidacy, including an estimated $20 million in soft money. Like the Democrats, the Republicans focused their spending on key early battleground states. As with the target list looked very similar to that of the Democrats; eight of the top twelve states were the same for both parties.

This use of party spending essentially rendered the contribution and spending limits of the FECA, at least as far as the party nominees were concerned, meaningless. As the FEC models, state parties were able to use a greater percentage of soft money when buying television time if it wanted.

This was in accord with FEC rules, which place different allocation requirements on state party committees. These expenditures, therefore, led to an even greater strengthening of state and local parties; they were simply made through state or local party financial accounts to take advantage of the opportunity to spend soft money.

The Democrats were the first to resort to issue advocacy spending, airing their first ad in early June, despite the fact that Gore had earlier said that he would not use soft-money financed advertising unless the Republicans did so first. In announcing the advertising strategy, the Democrats cited what they estimated to be $2 million in anti-Gore advertising by political groups that favored Bush, including a group called Shape America to the Pro-Life Front. The National Committee called the Coalition to Protect America Now. The ad, which touted Gore’s commitment to fight for a prescription drug benefit for seniors, ran in 15 states and was financed in a combination of hard and soft money.

Once the Democrats had begun their assault, the Republicans were quick to follow. In mid-June, a group of Republican congressional candidates called the Coalition to Protect America Now. The ad, which touted Gore’s commitment to fight for a prescription drug benefit for seniors, ran in 15 states and was financed in a combination of hard and soft money.

The only difference was that the Republicans also purchased time in Maine and Arkansas. This first commercial presented Bush’s proposal to allow workers to invest part of their Social Security payroll taxes in the stock market. What was most notable in 2000, however, was the significant rise in the use of soft money by the national senate and congressional campaigns. Federal campaign law required that half of the soft money raised in this election, almost $214 million, was raised by the congressional candidates. This sum is ten times greater than the $20 million in soft money raised by these committees in 1992.

The Democratic Senatorial Campaign Committee raised $108 million, and the Democratic Congressional Campaign Committee raised almost $57 million. The National Republican Senatorial Committee solicited $108 million by the National Republican Congressional Committee, about $51 million.

About half of the soft money raised by the senatorial and congressional candidates, $108 million, was transferred to state and local party committees to pay for issue advocacy advertising and voter turnout programs conducted in connection with targeted House and Senate races. According to the Brennan Center analysis, in the top 75 media markets, the parties spent nearly $80 million on advertising in the House and Senate races. In connection with Senate races, the parties spent an additional $39 million on advertising. The Democrats spent $20.5 million and the Republicans, $18.8 million. In connection with Senate races, the parties spent an additional $39 million on advertising. The Democrats spent $20.5 million and the Republicans, $18.8 million. In connection with Senate races, the parties spent an additional $39 million on advertising. The Democrats spent $20.5 million and the Republicans, $18.8 million.
Mr. WELLSTONE. Mr. President, the Senate today takes a historic step toward fairer elections, and I rise to join many of my colleagues in urging a vote for final passage of the McCain-Feingold legislation. The bill that will be considered addresses the way money flows in and out of campaigns, and in other ways weaker, than the legislation we started the debate on two weeks ago. In two instances I believe the Senate took a step backward, still, on balance, this is a positive reform bill and I support it.

Debate on campaign finance reform should be debates about who is at the table. Looking back at the last two weeks from this perspective highlights not only the importance of the bill that we will vote on today, but also it's severe limitations. I say importance, because if you believe that reform of our federal elections is essential for the reasons that I believe, restoring the centrality of one person, one vote, then you need to get soft money out of the system. We are depending on more political power to flow from too few. But I also say severe limitations because even if we ban soft money, even if we ban sham issue ads, we still have too much money in politics in America. There is no question that the players will still have an all too prominent role in our elections.

It is unfortunate that the Senate voted to raise the hard-money contribution limits. Nearly 80 percent of Americans support the hard money, more and more of which is being raised in checks of $1000. During the last election, only 4 out of every 10,000 Americans made a contribution greater than $200. Only 232,000 Americans gave contributions of $1000 or more to federal candidates—one ninth of one percent of the voting age population. By raising the hard-money limits, the Senate voted to increase the amount of special interest money in politics, and entrench candidates' dependence on a narrow, political elite made up of wealthy individuals. That is not reform.

The Senate also adopted an amendment to allow candidates facing self-financing opponents to raise even more big money. Again, this is a step backward, and is blatant incumbency protection. I am pleased that the Senate twice voted to include, the second time over- ward and is blatant incumbent protec- tion. The amendment directly addresses constitutional concerns. A February 20, 1998 letter signed by 20 constitutional scholars, including a former legislative director of the ACLU, which analyzed the underlining bill’s sham issue ad provi- sion, argued that even though that provision was written to exempt certain organizations from the ban on election- eering communication, such omission was not constitutionally necessary. In other words, the restrictions on cor- porations and unions need not have been limited to corporations and unions. In any case, the amendment is severable. If courts find it to be uncon- stitutional, it will not jeopardize the rest of this bill.

This is what was at stake in the last two weeks: a government where the people are the priority, not the powerful. The anti-reform crowd has tried to cast this debate in terms of regulating political speech and limiting political freedom. I reject the argument that freedom, freedom of speech, freedom to participate in the election of one’s gov- ernment is served by the current sys- tem or that it is undermined by efforts to reform that system. On the con- trary, freedom is on the side of reform, and indeed the more comprehensive the campaign finance reform we enact, the more we empower every American to ensure control of his or her own destiny.

While I will vote in favor of McCain-Feingold, I do so with my eyes open. Fundamentally, this legislation seeks to patch a badly broken system, one that is likely past saving through minor repair, and stops far short of the complete overhaul of the financing of elections that are required. Ultimately, an approach that seeks to stop a leak here, and block a loophole there but does not meaningfully remove the de- formative power of money—whether private money form candidates and parties—either through reducing costs to cam- paigns, providing public sources of
funds, or a combination of the two—will be doomed to failure.

It is for this reason that I am a supporter of comprehensive public financing of federal campaigns, what is known as the Clean Money, Clean Elections Act of 1998. The McCain-Feingold bill includes important reforms. It would get some of the money out of politics. Not all of the money, but the under-the-table money, the largest component, the grossest example of favor currying and access buying. With my amendment, it will ban most sham issue ads. Such unregulated funds have made a mockery of the current campaign finance reform system. However, there is no question that we should go further. The road for campaign reform has been long. The House has passed similar measures, but must reintroduce the bill up again, this time playing with live ammunition—the increased likelihood that it will become law. Bush added to the momentum this week by indicating for the first time he might sign it.

On this bill and other political reforms, Congress should give primacy to the rights and needs of voters. Reform should not have to wait for a tangled election like the one just concluded—or a Watergate.

Mr. WELLSTONE. Mr. President, I don’t agree with my colleague from Illinois that his support is a prerequisite to more basic changes. The road for campaign reform has been long. The House has passed similar measures, but must reintroduce the bill up again, this time playing with live ammunition—the increased likelihood that it will become law. Bush added to the momentum this week by indicating for the first time he might sign it.

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I thank Senator Dodd, the Democratic manager of the bill, and his staff. His leadership was as critical to our success as his unflagging good humor was to our morale.

The majority and minority whips, Senators Nickles and Reed worked hard to ensure a fair and complete debate and to encourage both sides to reach for good-faith compromises whenever it was possible.

Words cannot express how grateful I am to the cosponsors of our legislation. But the willfulness of Senators Thompson and Feingold to find common ground on the issue of increasing hard money limits, I fear our efforts would have proved as futile as they have in the past.

I cannot exaggerate how big a boost Senator Thad Cochran's support was to our cause and how important his wise and courteous guidance was to our success.

I appreciate the wise and experienced leadership of Senator Carl Levin. Senators Snowe, Jeffords, Collins, Specter, Schumer, Edwards, Kerry, and all the sponsors worked tirelessly and effectively to reach this moment and more than compensated for my own deficiencies as an advocate.

I am also much indebted and inspired by the community of activists for campaign finance reform. The faith, energy, and never-say-die spirit they have shown in a fight they have waged for so many years are the best attributes of patriots. Although we have a few more miles to travel, they have given good service to our country, and my admiration for them is only surpassed by my gratitude.

I owe a special thanks to the many thousands of Americans who lent their voice to our cause this year, many who did not but who believe that our success as his unfailing good humor was to our morale.

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I owe a special thanks to the many thousands of Americans who lent their voice to our cause this year, many who did not but who believe that reforming the way we finance Federal campaigns is necessary first step in addressing the practices and institutions of our great democracy.

I also thank my staff for their extraordinary support, particularly Mark Buse who has worked by my side on this issue for many years and whose industry and creativity will never fail to impress me.

Mr. President, I ask unanimous consent for 2 additional minutes.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. REID. What is the request?

The ACTING PRESIDENT pro tempore. For 2 additional minutes. Is there objection? Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, I ask unanimous consent to print in the Record a list of the staffers of the Senators who were very helpful and critical to our success.

There being no objection, the material was ordered to be printed in the Record as follows:

Senator Cochran—Brad Pre Witt;
Senator Collins—Michael Bopp;
Senator Daschle—Andrea LaRue;

Senator Dodd—Kennie Gill, Veronica Gilslopie;
Senator Feingold—Mary Murphy, Bob Schiff, Bill Dauster;
Senator Feinstein—Gray Maxwell, Mark Kadesh;
Senator Hagel—Lou Ann Linehan;
Senator Jef fords—Eric Buchmann;
Senator Levin—Linda Gustius, Ken Saccoccia;
Senator Liebermann—Laurie Rubenstein;
Senator Lott—Sharon Sodendorf;
Senator McCain—Mark Buse, Ann Choiniere, Lloyd Ator, Babs LaSala;
Senator McConnell—Tamara Somerville, Hunter Bates, Andrew Sift, Brian Lewis;
Senator Schumer—Martin Siegel;
Senator Snowe—Jane Calderwood, John Richter;
Senator Thompson—Bill Outhier, Hannah Sistare, Fred Ansell.

Mr. MCCAIN. Mr. President, were I limited to thanking one individual, it would be Senator Russ Feingold of Wisconsin, a man of great courage and conviction. His partnership in this effort is one of the greatest privileges I have ever had in public life. He is in every respect the better half of McCain-Feingold. I want him to know, Mr. President, that I will never forget it. I might also add that he is well served by his staff as I am by mine.

Lastly, I thank every one of my colleagues, those who supported our bill and those who did not, particularly my friend Senator Hagel, for the good faith and fairmindedness that all have brought to this debate.

I believe the events of the last 2 weeks have been a great credit to this body, and that is tribute to every Senator. Indeed, as we approach what I believe will be a successful outcome for the proponents of this legislation, I can say I have never been prouder to be a Member of the Senate. Because of my failings, I might not always show it, but I considered it an honor to serve in the company of so many capable leaders of our fair country.

I asked at the start of this debate for my colleagues to take a risk for America. In a few moments, I believe we will do just that, I will go to my grave deeply grateful for the honor of being part of it.

I yield the floor.

Mr. DODD. Mr. President, have the yeas and nays been ordered?

The ACTING PRESIDENT pro tempore. They have not been ordered.

Mr. DODD. I ask for the yeas and nays on the McCain-Feingold bill.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The question is. Shall the bill pass?

The legislative clerk called the roll.

The bill (S. 27), as amended, was passed.

Yeas 59–41

—

Akaka Bayh Bingaman
Baucus Biden Boxer
Byrd Feingold Mikulski
Cantwell Feinstein Miller
Carnahan Graham Harkin
Chafee Inouye Jeffords
Chesler Johnson Jordan
Clinton Jordon Kent
Collins Johnson Kerr
Cordes Kohl
Dole Landrieu
Dayton Leahy
Dodd Levin Thompson
Lieberman Lott Torricelli
Dorgan Lincoln Wyden
Durbin Lincoln Wyden
Edwards Mccain

Mr. BYRD. Mr. President, I support the effort by Senators McCain and Feingold to try to rein in some of the rampant spending that takes place in political campaigns. Today I voted for S. 27, the Bipartisan Campaign Reform Act of 2001.

While I voted for final passage of S. 27, I do not feel that it goes far enough. The only way that we will ever get control over the money in politics is if we put limits on campaign spending, and the only way to achieve that goal is to address the constitutional hurdles raised by the Supreme Court. Unfortunately, by equating free speech with campaign spending, the Supreme Court placed a substantial roadblock in the path to campaign finance reform. We will not have true campaign finance reform until Congress and the States approve a Constitutional Amendment which clearly articulates that Congress can regulate fundraising and expenditures for campaigns. That is why I supported the constitutional amendment offered by Senator Hollings.

I understand that the sponsors of this bill worked to craft legislation that would maintain the support of a majority of Senators, and, at the same time, would also stand up to the certain Court challenges it will face. I hope that this bill will make some progress in limiting the power and influence of money in our elections, but I believe that we still have a long way to go.

Mr. MCCONNELL. Mr. President, obviously, that made me soft on money machine, the New York Times, runs something accurate about campaign finance. Such as the op-ed I authored...
In recent years, the parties have used soft money to run ads defending their nominees from attacks by special interest groups and to help challengers compete against well-financed incumbents. The parties often provide the only chance for nonincumbent and nonmillionaire candidates to be competitive in Congressional elections. The McCain-Feingold bill, now working its way through Congress would prohibit the national committees from raising or spending any soft money—that is, any money not covered by federal limits—at any time for any purpose. It would also federalize campaign-related spending by state parties in even-numbered years, forcing even the state parties to rely on far more scarce hard money, with results that are likely to be devastating.

Even if only one federal candidate were on the ballot in a state where the chief voter interest was in the governor’s race, a mayoral contest or control of the state legislature, all party voter registration and turnout activities in that state within 120 days of the election would be subject to the severe limits on contributions set by Congress—and therefore subject to disclosure. Special-interest group issue ads would go unanswered by the parties. Challengers, historically shunned by political action committees but now dependent on their own. Incumbents and self-funded millionaire candidates would flourish. Speculation rages over which party would get the greatest benefit in the ban on soft money. Many Republicans, believing that liberal-leaning news outlets will favor Democrats and noting that much of the political activity centered on Democrats, an entity, the A.F.L.-C.I.O., is largely impeded by McCain-Feingold’s provisions, feel Democrats may be the greatest beneficiary. Conversely, there are some Democrats that forcing the parties to rely solely on the limited and relatively puny hard-money contributions may benefit Republicans.

One result of McCain-Feingold is certain: America loses. The parties are vital institutions in our democracy, smoothing ideological edges and promoting citizen participation. The two major parties are the big tent that matters, the place where multitudes of individuals and groups with narrow and diverse interests come together and broad philosophies about the role of government in our society. If special interests cannot give to parties as they use their own money to influence elections in other ways: placing unlimited, unregulated and undisclosed issue advertisements; mounting their own attack ads; the candidates have proliferated in recent years to push their agendas on gun control, the environment, abortion and other issues.

Although the parties would suffer under the new system, political experts say, the beneficiaries could be independent groups that have proliferated in recent years to push their agendas on gun control, the environment, abortion and other issues. The bill, sponsored by Senators John McCain (R-Ariz.) and Russell Feingold (D-Wisc.), puts significant new restrictions on such groups. Corporations, labor and ideological groups on the left and right would not be able to use their own money for issue advertisements that name candidates within 60 days of a general election or 30 days of a primary. The use of such advertising, often indistinguishable from ordinary campaign commercials, has skyrocketed in recent elections.

However, unlike the political parties, outside groups could still collect unlimited checks from any source. They could also run whatever ads they wanted up to the deadline and after that could engage in other forms of political activity, such as telephone banks and mailings. In addition, the legislation would not end all issue advertising, even close to an election. For example, traditional political donors—who cannot constitutionally be stopped from spending their own money—are not covered. Moreover, the restrictions on outside groups are the portion of the legislation most likely to be thrown out by a court.

“The world under McCain-Feingold is a world where the loudest voices in the process and third parties, not the parties, will make the decisions,” Republican National lawyer Benjamin Ginsberg said. “My fear is that the parties will just wither and essentially people will be motivated to get out to vote by the groups which champion the issues they care about.”

A top democratic operative offered a similar assessment. “The fear here is all you’re doing is fragmenting the party system.” Republican political consultant David Plouffe, who headed the House CAMPAIGN BILL COULD SHIFT POWER AWAY FROM PARTIES

(BY RUTH MARCUS AND JULIE EILPERIN)

If the campaign finance bill nearing final passage by the Senate becomes law, it could dramatically alter the practice of modern politics, curtailing the influence of political parties and potentially enhancing the power of outside groups that would not be subject to strict contribution and disclosure rules. Campaign consultants and senior law-
Democrats’ campaign operation in the last election.

But Fred Wertheimer of Democracy 21, which is lobbying for the bill, said there would be "political correctness" of soft money outside groups than some anticipate, especially from corporations. "People are missing the fact that a large number of soft money outside groups are tired of facing the equivalent of political extortion," he said.

If the Senate approves it Monday, the McCain-Feingold bill will still have numerous hurdles to surmount. It must pass the House, which has voted for similar measures, but not yet passed the campaign overhaul far closer to reality—Republican leaders are voicing opposition. It must also be signed by President Bush, who disagrees with a number of provisions and indicated that he cannot be counted on to veto the bill. And perhaps most important, it must survive the constitutional challenge that will immediately be mounted in the courts.

Nonetheless, the prospect of Senate approval brings the bill a huge step closer to reality. As its most ardent foe, Sen. Mitch McConnell of Ky., said last week: "This is the last chance nobody to come to the rescue. This train is moving down the track.

That momentum has left elected officials, politicians and election law experts of both parties trying to predict what life would be like under the new regime—and whether Republicans or Democrats would be better off. They are unanimous in the view that the measure would benefit their opponents but also acknowledged that the ultimate winners and losers would not be clear for some time.

Experts debate whether the measure would help challengers or incumbents. Many said the bill would help incumbents because parties would not have the same ability to "target" wealthy donors and political action committees on behalf of challengers and because it allows incumbents to raise additional money against billionaires, PAC money or millionaire candidates. But others said challengers would be helped by the increase in the limits on direct contributions to candidates and parties known as "hard money." The limit on how much an individual can give to a single candidate would double to $2,000.

Some effects of the bill were not disputed. Because candidates are limited to raising a smaller amount of hard money that individuals can contribute in an election cycle from $25,000 to $37,500, Washington lobbyists are already winching at the effect the limits will have.

Many lobbyist give the maximum allowed for a married couple, that would mean the total amount they and a spouse could give would grow $25,000, to $75,000 an election.

In addition, parties have would have to dramatically change their operations, which have become dependent on using a combination of soft and hard money to do everything from paying the light bill to running ads.

"What we are doing is destroying the party system in America," said House Democratic Caucus Chairman G. V. Chow of Wash. "The political parties would be neutered, and third-party groups would run the show."

"We both lose," McConnell said. "This is mutual assured destruction of the political parties.

Some campaign finance experts said such concerns were overstated, saying the parties took in nearly $720 million in hard money in the last election and would be able to raise even more under McCain-Feingold, which sets overall campaign contributions limits to political parties, from $32,000 to $25,000.

I do not think that a ban on soft money will cripple the parties, said California political scientist Anthony Corrado. "The parties now raise twice as much hard money as they were raising 10 years ago, and the parties were very active in the late ’80 and early ’90 in election campaigns without really any reliance on soft money."

Because Republicans in the last election and would be able to raise even more under McCain-Feingold, would see a large base of small donors and therefore vastly out raise Democrats in hard-money contributions. There were different sides agreed, at least, that this measure would help incumbents, which would be at a disadvantage. During the last campaign, Republicans and Democrats raised equivalent amounts of soft money, but Republicans took in $477 million in hard money to the Democrats’ $270 million.

"The best example of why Republicans will do better than Democrats is to look at the Bush campaign," Democratic National Committee spokeswoman Jerry Backus said, citing the more than $100 million the Bush primary campaign raised in hard money.

Democrats also voiced concern that they would be targeted in the waning days of the campaign by well-funded independent Republican groups.

"We have established interest groups that have been very effective on our behalf,” a Democratic Strategist said. "We have never had are the large groups that spring up for the specific immediate purposes of influencing elections and that are encouraged to fly outside the general election. These groups are going to be shuffling around dramatically more limited resources and not able to provide air cover for their members against those attacks.

Yet Republicans say democracy would be helped because they would benefit from continued heavy union spending and because wealthy Democrats would simply write checks to outside groups.

"Two academics who are sympathetic to McCain-Feingold said the Democrats’ short-sightedness by the larger number of advocacy group ads supporting Democrats. "The experience of the last two elections suggest that neither Republicans nor Democrats would be disproportionately harmed," said Kenneth Goldstein and Jonathan Krasno. "Indeed, neither party stands to gain or lose much against their counterparts."

Michael S. Berman, a veteran Democratic political strategist, said any predictions are foolhardy. "Of one thing I’m certain," he said. "Any amendment to McCain-Feingold will affect the role that the rich political action committees on behalf of their candidates. Everyone is talking about how wealthy people will lose millions of dollars. But the real question is what do the wealthy people, who are going to stop giving to the Democratic Party?

Mr. MCCONNELL. Mr. President, the courts have repeatedly struck down issue advocacy groups. I also ask unanimous consent that this list of cases be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:


AMENDMENT NO. 171

Mr. DOMENICI. Mr. President, I ask unanimous consent of the Senate to print the following amendments to the McCain-Feingold bill.

(a) Amendment No. 171

...
CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001–2011—MOTION TO PROCEED

Mr. LOTT. Mr. President, I now move to proceed to H. Con. Res. 83, the House budget resolution, and my motion to proceed be limited to 10 minutes—5 minutes under the control of Senator CONRAD and 5 minutes under the control of Senator DOMENICI—and, following that debate, the Senate proceed to the adoption of the motion and that the motion to reconsider then be laid upon the table.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. In light of this agreement, then, Mr. President, there will be no further votes today. However, votes will be taken on the roll the day after this and the evening tomorrow and probably Wednesday and Thursday also.

I thank my colleagues for helping work out this agreement.

I yield the floor.

Mr. CONRAD. What we have agreed to in the Domenici amendment. We will get that resolution. We will adopt the House-passed budget resolution. We will provide new and increased discretionary funding in this budget and to provide new and increased defense until the budget resolution to use reconciliation until a detailed review of the size of the surpluses, that probably is what we ought to do. We prescribe that in this budget resolution.

I have given a summary tonight, as brief as it was. We will ultimately talk about more detail. We have done this before with this kind of spending in it. The President has a 4-percent increase, year upon year, over the last year’s budget for discretionary spending. In my opinion, that is a pretty good amount.

Mr. President, we won’t adopt the House measure. We will make it pending, after which we will offer a substitute. I note that the Parliamentarian was nodding his head.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized.

Mr. CONRAD. I thank the Chair and I thank the Senator from New Mexico. I thank all of my colleagues who have worked hard to bring us to this position today.

However, we don’t believe we ought to be on the budget resolution tonight. We don’t believe we ought to be on the budget resolution because we don’t have a budget from the President. Not only do we not have a budget from the President, because he has not even provided sufficient detail for the Joint Committee on Taxation or the Congressional Budget Office to give us an independent review of what his tax proposal costs, but we believe we should have waited until that analysis was available.

Third, there has been no markup in the Budget Committee. Always before, with one exception, we have had a markup in the Budget Committee. And always we have at least tried in the Budget Committee to mark up a budget resolution for our colleagues on the floor. This year, there was not even an attempt.

Fourth, there will be an attempt in the Budget Committee to use reconciliation for a $1.6 trillion tax cut, which we believe threatens the constitutional role of the Senate.

Now “reconciliation” is a word that I am certain many of our listeners really have no idea of its meaning. I must confess I didn’t fully understand reconciliation until a detailed review of that process. What it provides is that
The typical operation of the Senate was to provide a "cooling saucer" in our constitutional construct, so that the House of Representatives reacted immediately and responded to the will of the people at the moment. The Senate was designed as the cooling saucer, where calmer and cooler reflection could permit a further analysis, unlimited debate, with every Senator having the right to amend. Those are the fundamental constructs of this institution. All of that is short-circuited under reconciliation. All of that is out the window, and the Senate becomes a second House of Representatives.

We believe the Bush budget puts this country in the hole because if you start with the projected surplus of $5.6 trillion and subtract out the trust funds of Medicare and Social Security, that leaves you with an available surplus of $2.5 trillion. When we look at the cost of the Bush tax cut as partially reestimated, and the alternative minimum tax that will have to be reformed because of the Bush tax cut, which costs another $300 billion, and the associated interest costs of $500 billion, and the spending proposals in this budget of $200 billion more, you have a total cost of the Bush plan at $2.7 trillion. That tells us this President's plan puts us right into the trust fund and puts us in the hole by $200 billion.

On our side, we will offer an alternative that does the following:

We will protect the Social Security and Medicare trust funds in every year. We will pay down the maximum amount of the publicly held debt. We will reserve resources for the immediate fiscal stimulus of $60 billion.

I might add, that is what we think we should be doing this week. We think we should be passing on the floor of the Senate an immediate fiscal stimulus. That is what we think we should do.

Fourth, we will provide significant tax relief for all Americans, including rate reduction, marriage penalty relief, and estate tax reform.

Finally, we will preserve resources for the high priority domestic needs, including improving education, a prescription drug benefit, strengthening our national defense, and funding agriculture.

Finally, we will provide $750 billion to strengthen Social Security and address our long-term debt.

So this is a fundamental debate about the economic future of our country. We look forward to it on our side. We look forward to a healthy and vigorous and polite debate.

Mr. President, I yield the floor. The ACTING PRESIDENT pro tempore. Under the previous order, the motion to proceed is agreed to.

The assistant legislative clerk read as follows:


AMENDMENT NO. 170

(Purpose: In the nature of a substitute)

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

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an amendment numbered 170.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The text of the amendment is printed in today's Record under "Amendments Submitted." Mr. DOMENICI. Mr. President, we have an agreement and understanding that there will be no amendments offered tonight. Incidentally, for those who wonder what that amendment I sent to the desk means, it is the budget I submitted on Thursday of last week to the other side of the aisle. When my friend got it—maybe he got it the next day. It was there for circulation. It is the same budget.

Mr. President, we have the President of the United States, Bill Clinton, had a budget resolution, and the President had not sent us a budget in its totality.

It went to conference with the House. They conferred upon it and brought it back and passed a final version of a budget resolution which, incidentally, included not tax cuts but tax increases, tax increases. If you looked at them in today's gross domestic product numbers would be equivalent to almost a trillion dollars in tax increases.

Mr. President, I yield the floor.

Mr. President, have I used my 10 minutes yet? The ACTING PRESIDENT pro tempore. The Senator has only used 4 minutes.

Mr. DOMENICI. Mr. President, Senator GRAMM will return after we have used some time, and I welcome that. I want to speak a little bit and then tomorrow will give more detailed
said, to a man and to a woman: Let not matter too much what we think becomes to debate that more fully, we margin, be given a cut. When the time highest amount of the Tax Code. ofment in the economy over time by cut-

right now in the budget of the United States, and we decided that we ought to give it to the tax-writing committee to prescribe this year’s stimulus of their prescription. We cannot write a tax bill, so the tax-writing committee will determine how.

I was very thrilled when I presented this to the Republicans in a caucus and almost all were there. For the first time, they saw this budget, and they also saw from me a proposal that we ought to use $60 billion to “stimulate” the economy now. They said, to a man and to a woman: Let’s do it.

Nobody should misunderstand. We did not suggest that day, nor are we suggesting today, that we should adopt a $60 billion stimulus without providing permanent changes in the Tax Code that enhance growth and prosperity.

We have said what our President said. He agrees with us on the $60 billion stimulus this year, almost the same day we talked about it, but he said, as we said then and as we say today, it would be foolhardy to adopt a current 1-year stimulus package without reforming the Tax Code so as to provide for more prosperity over a longer period of time.

I understand that there is a difference between our side and their side on what the tax changes should look like, but I hope even in their proposal on tax redu-
duction, they would cause an improve-
ment in the economy over time by cut-
ting marginal rates; that is, cutting the current point at which you go to the next bracket and pay the next highest amount of the Tax Code.

We propose that every bracket, every margin, be given a cut. When the time comes to debate that more fully, we can talk about who is right about what it ought to look like. For now, it does not matter too much what we think be-
cause the tax-writing committee is going to end up determining that.

I could get up here and tell the tax-

payers: Here is a list of the things we want out of the budget resolution, but I want everybody to know, on the tax side, if we said that, all that is binding on the committees of the Congress is the total, $1.6 trillion and the $60 billion surplus for stimulus. They can provide what kind of stimulus.

The other side will talk about what they like. We will talk about what we like. That is just debate because the Finance Committee, under Senator GRASSLEY’s chairmanship in the Senate, will decide what kind of stimulus. They will also decide what kind of tax changes are going to ac-

crue, what can the American taxpayers really get by way of a return of their money. Essentially, that is where we are.

I will spend a few minutes on a very interesting word. The word is “rec-
ciliation.” My friend, Senator BYRD, is not on the floor. He pronounces it differently. It doesn’t matter whether we pronounce it reconciliation as the Senator from Delaware or as the Senator from West Virginia does; it is the same animal.

So everybody will understand, we de-
cided 25 years ago to change the proce-
dures of the Senate. What do I mean? When we adopted the Budget Act, with the help of a lot of experts, including the best Parliamentarians they could muster to help write it, that Budget Act said if you are going to do a re-
ciliation, they will also decide what here is what it means. It means if you do that, you have held that the Senate no longer is bound by a filibuster rule on that bill that comes from reconcili-

ation. You cannot filibuster it.

That is a dramatic change in the rules of the Senate. For those who complain about it, when we get a chance to vote on it, what we say to them is, go back and amend the bill that created it. It is already 25 years old. Anybody who wants to amend it, to take out this authority could have, but it is there. It is there to be used by Republicans and Democrats.

How efficient is it and does it work? Yes, indeed. The other side of the aisle adopted the entire Clinton plan on taxes and budget changes in a recon-
ciliation bill to the committees.

What else does it do about Senate rules? The Senate rules are very impor-
tant so I will try to understand this institution. It is cherished that we can amend to our heart’s content. There is no real limit on amendments—except under the Budget Act. And 25 years ago, we agreed if you have a budget that is passed, and a bill that comes forth from that, it is not amendable in the ordinary manner. As a matter of fact, it is very narrowly amended. It has been used to increase taxes, obviously. President Clinton in-
creased taxes. It has been used to re-

duce taxes. In 1997, there was a tax de-
crease, tax cuts. We used this now fa-
mous process of “reconciliation.”

It is a very important change in the rules of the Senate. It says those recon-
ciliation bills no longer are treated as other bills in the Senate. Just re-
member, this isn’t the first time. We have been using it for 25 years. It changed forever until we repeal that act.

We think it is appropriate here. We will have at least an hour’s debate on whether it is or is not.

I yield the floor.

Mr. CONRAD. Mr. President, the Senator from New Mexico has talked further about reconciliation. Let me make it clear this will be one of the most consequential votes in the Senate in any of our memories. If this prece-
dent is adopted that says you can to-

cally take away the safeguards of the Senate, change the constitutional structure of this body by using that methodology for a tax cut, then the door is wide open for every kind of abuse.

The Senator from New Mexico says reconciliation can be used by either side. That is true. It is also true it can be used by either side.

I remember very well in 1993 and 1994 when we had massive health care legis-
lation being considered and a group of Senators were approached and asked if we would support the use of reconcili-
ation that would allow the other side’s Senators’ rights to debate and amend, to pass that legislation. A group of Senators said, no; that would be an abuse of the process to pass a $138 billion spending initiative based on limited debate and limited amendment. That is not what the Senate was designed for; that is not what the Founding Fathers intended for this body.

The Founding Fathers intended for this body to be, as I described before, the cooling saucer, where we could have extended debate and unlimited amendment to determine the outcome to protect the American people, to pro-
tect the rights of a minority.

We are on the brink of sweeping all of that aside in the name of a tax cut, to take away those protections for a mi-
nority, to take away those protections for an individual Senator to represent his or her constituents, to take away those protections for this institution.

It is wrong; it was wrong in 1993 and 1994 to use it for a spending provision. It would be wrong, dead wrong, to use it now for a tax cut. The whole purpose of reconciliation was for deficit reduction.

The Senator from New Mexico quite correctly says in 1993 reconciliation was used by our side—he is exactly right—for deficit reduction. That was a package that cut spending and raised taxes to reduce deficits.

This package is the opposite of that.

When the Senator talks about pre-

vious precedents, he cites 1997. Yes, reconciliation was used. But, again,
that was part of an overall package of deficit reduction.

We have gone over the precedents with respect to budget reconciliation. We find only one case, back in 1976, where reconciliation was used for a tax cut, absent other deficit reduction provisions. That was a $6 billion item. It was vetoed.

In 1993, reconciliation was used. It was used for deficit reduction. In 1997, reconciliation was used. It was used for deficit reduction. That is the reason we have reservations.

I cite Senator DOMENICI himself in a letter I wrote to the Parliamentarian. Senator DOMENICI said:

Prankly, as the chairman of the Budget Committee I am aware of how beneficial reconciliation can be to deficit reduction. But I'm also totally aware of what can happen when we choose to use this kind of process to basically get around the rules of the Senate as to limiting debate. Clearly, unlimited debate is the prerogative of the Senate that is greatly modified under this process.

I have grown to understand this institution. The Senate is not simply the draft of short, it has some qualities that are rather exceptional. One of those is the fact that it is an extremely free institution, that we are free to operate. We are free to spend as much time as this Senate will let us, to debate and have those issues thoroughly understood both here and across the country.

That was Senator DOMENICI, on Oct. 24, 1985.

The Senate was right then. He is wrong now.

He said later, on Oct. 13, 1989:

"There are a few things about the U.S. Senate that people understand to be very, very significant. One is that you have the right, the rather broad right, the most significant right among all parliamentary bodies in the world, to amend freely on the floor. The other is the right to debate and to filibuster. When the Budget Act was drafted, the reconciliation procedure was crafted very carefully, so as to be used rather carefully because, in essence, Mr. President, it vitiated those two significant characteristics of this place that many have grown to respect as the Senate under the regular order. We can use the normal procedures of the Senate just as was done in 1981 with the big Reagan tax cut. They didn't use reconciliation; they used the normal procedures of the Senate that permitted debate and amendment and not a short circuiting of the process or an abuse of the process."

Mr. President, How much time have I used?

Mr. CONRAD. The SENATOR from New Mexico asked for an additional 10 minutes.

Mr. CONRAD. Mr. President, I would like to run through a number of charts and use those for a broader discussion of the budget resolution as we embark on its consideration.

Mr. DOMENICI. Did the Senator ask for an additional 10 minutes? Sure.

Mr. CONRAD. I just asked the Chair to notify me when I consumed another 10 minutes.

Mr. DOMENICI. OK.

Mr. CONRAD. I think one of the most important things about this debate is the question of whether or not we learn anything from history.

The chart I have put up behind me talks a little about history. It talks a little about history in this country that went back from 1960 to the increase that resulted in the gross Federal debt of the United States. You can see after 1990, the gross Federal debt of our country absolutely exploded. It exploded because we adopted a fiscal policy that was fatally flawed. That fiscal policy included a massive tax cut, a dramatic increase in defense spending, and was based on a rosy scenario economic forecast. All of those things conspired to put us in a deficit that exploded the debt of the United States, and it took us 15 years to recover.

I believe we are in danger of repeating that series of mistakes in a way that will take us back into deficit, back into the bad old days of raiding trust funds, and put us on a course that is not financially sustainable. The debt of our Nation quadrupled because of those failed economic policies.

Curiously enough, many of the very same voices who were the architects of that failed plan are back today, advocating this one, the Bush budget plan. Many of the same people who were there at the birthing of the dramatic increase in the deficits and debt of this country are back again. You have to ask the question, Did we learn nothing in the 1980s?

Let's first deal with the economic forecast that underlies this proposed budget. I indicated in the 1980s, when faced with the explosion of deficits and debt, one of the key reasons was a flawed forecast, an overly rosy set of economic assumptions. Once again I believe we face an uncertain forecast. This time it is a 10-year forecast. This time the forecast itself warns us of its uncertainty. We are told they have gone back and looked over their previous forecasts to see the variance between what they predicted and what actually occurred. What they have found is this chart that they have provided to us. I call it the fan chart. It is from the Congressional Budget Office.

What it tells us is in the fifth year of the 1980s, a forecast that we have anywhere from a $50 billion deficit to more than a $1 trillion surplus based on the variances in their previous forecasts. That is how uncertain this forecast is.

The Congressional Budget Office, which did the projection, tells us that number of $5.6 trillion surplus that the Senator from New Mexico discussed has a 10-percent chance of coming true—10 percent. There is a 45-percent chance there will be more money, a 45-percent chance there will be less money. This forecast was done 8 weeks ago.

What has happened in the economy? Do you think it makes it more likely or less likely that the number will be greater or less than the $5.6 trillion the Congressional Budget Office tells us has a 10-percent chance of coming true?

It seems pretty clear to me that this is a very high risk. It is like betting the farm on a 10-year forecast that has very little chance of ever coming true.

We are offering an alternative that we think is more cautious, more competitive, and more consistent with what the Congressional Budget Office, which did the projection, tells us has a 10 percent chance there will be less money, 45 percent chance there will be more money. This forecast was done 8 weeks ago.

What is the difference? Do you think it makes it more likely or less likely than the $5.6 trillion that the Congressional Budget Office tells us has a 10 percent chance of coming true?

We separate that amount into equal thirds: A third for a tax cut; a third for the high-priority domestic needs of a prescription drug benefit, strengthening our national defense, improving education, and funding agriculture; and then the final third, I set aside that money aside for strengthening Social Security and Medicare trust funds for the purposes intended. That leaves us with $2.7 trillion remaining.

We separate that amount into equal thirds: A third for a tax cut; a third for the high-priority domestic needs of a prescription drug benefit, strengthening our national defense, improving education, and funding agriculture; and then the final third, I set aside that money aside for strengthening Social Security and Medicare trust funds for the purposes intended. That leaves us with $2.7 trillion remaining.
Our budget protects the Nation’s veterans. At the same time that the Republican budget slashes funding for veterans by $19 billion, we provide a $15 billion increase over the 10-year period. But it doesn’t stop there. We have also provided additional resources for the energy crisis that is hitting our country. We had testimony before the Budget Committee that indicated there will be an additional need for Federal resources to deal with the energy shortage impacting the country. We have provided an increase of nearly $10 billion while the Republican budget has cut $1.4 billion over the same period.

Our budget responds to the farm crisis by providing $38 billion over the 10-year period to level the playing field between our country and our major competitors, the Europeans. The Europeans currently are spending 10 times as much to support their producers as we spend supporting ours. They are spending over $75 billion to support their producers while we spend $30 billion.

On the question of export support, the Europeans are providing 84 percent of all the world’s agricultural export assistance worldwide—one-third as much. No wonder we have a crisis in American agriculture. No wonder our producers are faced with financial ruin.

Our budget addresses the crisis in agriculture. The Republican budget absolutely fails it.

These are the different priorities of the two budgets.

If I were to briefly recap, it would be simply this. While we support a significant tax reduction for all amounts, we have a smaller tax cut than they have provided, so that we can have more resources to pay down our publicly held debt; more resources to strengthen Social Security for the long term; so that we can reserve additional resources to improve education and strengthen national defense; and, yes, to provide a prescription drug benefit.

Even with the offset, our overall spending as a share of the gross domestic product has the Federal role shrinking. We have seen the Federal Government’s role go from 22 percent of gross domestic product in 1995 to 18 percent today. Under our plan, the Federal role would continue to shrink to 16.4 percent of gross domestic product, the smallest role for the Federal Government—the smallest role for the Federal Government—in 50 years. That is a compelling absolute on any of our budgets. It is one that is in line with the priorities of the American people.

I hope very much that we can take the budget that has been laid down by my colleague from New Mexico and improve, and enhance, and strengthen Social Security for the long term; that we can set aside funds to strengthen Social Security for the long term; that we can reserve additional resources to improve education and strengthen our national defense and provide a meaningful prescription drug benefit.

That is what the American people want us to do, all within the context of continuing to shrink the role of the Federal Government, all within the context of paying off this publicly held debt, all within the context of preparing for the baby boom generation, and strengthening Social Security so that when those liabilities come due, the American system of Government is prepared to respond.

Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, I am going to yield shortly to Senator Bentsen. I think we have waited very much for waiting. But I want to first say to my good friend, I really do appreciate his advocacy. Frankly, it has been a rather exciting year because the Senator is a very good adversary. But I wish we all could strike a word from our vocabulary—‘right’ and ‘wrong’—because I think we can do better.

I say to the Senator, I think you can do better than to say that what we propose is wrong and what you propose is right. Frankly, I do not know that we are talking in absolute terms about this. We just think we have a better idea than they do. As a matter of fact, I just want to make two points and then I will yield to my friend.

This is budget language, but since my friend spoke of it, What do you use this Budget Act for? I want to hold it up. This is the act that changed—until it is repealed—the rules of the Senate. This law did that.

We defy anyone to read this law and find within it where it says what is major policy and what is minor policy, what size tax cut is OK and what size tax cut is not OK. I do not believe that is what this law says in any page of it.

Somebody might interpret something differently than I would interpret it, but I do not believe there is anything in here that justifies saying a policy that our President has suggested, of reducing our taxes by $1.6 trillion over a decade, when total revenues America will receive during that time is $27 trillion; when the gross domestic product is about $25 or $26 trillion—whom would determine under this law what is appropriate policy and what isn’t?

We decide. We vote. And if we have the votes, we use reconciliation because this law permits it. We are not violating anything. If we do not have the votes, we do not use it. But I do not choose to brag about the Senate’s great institutional powers of forever, debate until you kill something, and amendments until you run out of breath offering them. That is not what this law says is the prerogative of the Senators anymore; and it has not been for 25 years, as long as we have had this act. It changed that, if you follow it right. And we will decide in the next 3 or 4 days what is following it right and what isn’t in terms of interpreting that statute by the votes of this Senate—and every Member voting the way he or she chooses.

Now, finally, I was not able to do the arithmetic of this cursory summary of

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their budget, but let me say to Ameri-
cans, if you want to spend more money, that is the budget. From what I can
figure, including interest, this is a "lit-
tle" budget; it only adds $300 billion in
expenditures to the President’s; and with
interest, $700 billion more than the President’s.

For starters, so everybody will know, what did the President provide? He pro-
vided a 4-percent increase each and
every year—4 percent. I heard some of
the people in the White House say: Who in
America would not be satisfied with a 4-
percent increase? I was wondering about
whether we should do more. I
brought a budget down that starts with
a 4-percent increase each time. What
they are offering in terms of these
quick summaries is over and above 4
percent.

Of course, we can say each and every
thing about our Government should
double or triple or should be 30
percent more, or who knows what. But
I just added up a few in theirs: Defense, 100
percent; education, 80-some per-
cent; agriculture, 80-some percent;
Medicare, 160 percent more; energy, 10
percent, veterans, 15 percent. Remem-
ber, almost all these programs were in-
creased by a lot under the President. And this
is more than that. So what does it yield as
a final product?

Fellow Americans, do you want us to
spend the surplus or do you want tax
relief where we send you back some of
your money? And how much is the
relief where we send you back some of
their budget what kind of vision they
have for the future of America.

As all of my colleagues know, in Jan-
uary, the Congressional Budget Of-
fice—this is the nonpartisan budgeting
arm of the Congress—came out with
their estimates as to how much we had added to Government spending over 10
years of the Clinton administration. How
much money did we use to support the
surplus over the next 10 years in the
last 6 months of the Clinton admin-
istration? Many people were stunned to
find that in those 6 months, we added
$61 billion to Government spending.
No 6-month period in American history
ever added that much money to Gov-
ernment spending.

I ask my colleagues: Where was all
this concern about debt and deficits, this debate is
about spending versus tax cuts. We want to give a substantial
amount of money but a responsible
amount of money, as I will show, back to
the people who paid the taxes to
fund the Government. Is anyone telling us that they are worried about this
giant tax cut are the same people
who stood by while in 6 months $561
billion was spent on new Government
programs. At that rate, in 12 more
months, they will have spent the entire
Bush tax cut. I don’t understand.

We are concerned about spending and
deficits and debt when they were voting down
the balanced budget amendment to the
Constitution? Where was it when they
weren’t willing to protect Social Secu-
ry from having its funds plundered
by the Democrats? Where were they
when they were spending $561 billion? What pro-
duced this change of heart?

What produced the change of heart
is, they weren’t concerned when they
were spending money. They are only
concerned when we give it back to the
taxpayer. That is what this debate is
about.

Our colleagues want to make the
point this week that they have this
idea to divide the surplus into a third,
and a third, and a third. They have already spent their
third. Since we achieved a surplus,
since the economy started running a
budget surplus, we have added some
$800 billion to new spending on pro-
grams. It is about spending versus tax
relief. Let me make the points I want to
make. First, what is a budget about? I
am sure people think this is dull busi-
ness, but actually of all the votes we
cast every year, it is the most
important because it is the one time we
define our vision for the future of Amer-
ica. Each year our two great political
parties on the floor of the Senate and
in the House try to define through
their budget what kind of vision they
have for the future of America.

If you believe if you listen very carefully, you ultimately reach the conclusion that there are two competing visions and that the two visions really come
down to the following: Do we want
more Government, or do we want more
opportunity? Do we want to tighten
the belt on the family, or do we want
to tighten the belt on the Government?

Given that we have this surplus be-
cause people have paid more in taxes
that we need to fund the Government, should we lock this money in to
the Government grow? Or should we give
some of this money back to the people
who have earned it?

That is what this debate is about.
Don’t be confused. Despite all the
talk about debt and deficits, this debate is
not about debt and it is not about defi-
cits. It is about spending versus tax cuts. We want to give a substantial
amount of money but a responsible
amount of money, as I will show, back to
the people who paid the taxes to
fund the Government.
But it really boils down to a simple question—and Americans will ask it, hopefully, and answer it—that is: Do you believe the Government can take this surplus of tax revenues and spend it better than you could spend it if you got to look at it yourself?

Under the President’s tax cut, the average family in my State making $51,000 a year, two-wage earners with two children, will get about $1,600 in tax relief. At some point in the debate, I am sure our colleagues will say: Look, the whole lot of money. In my State, $1,600 is a lot of money. It is the difference between owning your own home and living in somebody else’s house. It is the difference between your children going to college or going to work. It is the difference between having a retirement program and not having one. The real question is, if Government kept the money and spent it, could they spend it better than you could spend the $1,600 if you got to look at it yourself?

That is the question about which I am willing to let the American people make a decision. In fact, I would be willing to submit that to the public. There will be all kinds of efforts to confuse the public and talk about debt and deficits instead of about spending, but anybody who is listening is going to understand.

Let me begin talking about the President’s tax cut. Every time that anybody mentions the President’s tax cut, they talk about how big it is, huge.

Mr. DOMENICI. May I interrupt?

Mr. GRAMM. I am happy to yield.

Mr. DOMENICI. I forgot when I yielded, I should have asked how much time was needed. I should establish an amount of time. Does the Senator need 10 more minutes?

Mr. GRAMM. I would like 20 more minutes, if I may have it.

Mr. DOMENICI. The Senator used 15 more than I. I yield him that. Then we will yield back to the Senator.

Mr. GRAMM. Every time we hear the President’s tax cut discussed, we hear the term “huge” or “massive.” Why not? It is $1.6 trillion. I have a few constituents who know what $1 million is. I have two constituents who know what a billion dollars is—Mr. Perot and Mr. Delli. Mr. Delli used to know what a billion dollars is. I suspect he will again, knowing Mr. Delli.

Nobody knows what a trillion dollars is, so obviously it is huge. What I would like to do is, using some figures from the National Taxpayers Union that are very relevant to the debate, let’s convert it into English. Out of every dollar we are going to send to Washington in the next 10 years, how much would the Bush tax cut give you back? They say it is for everybody. How much are we going to send to Washington in the next 10 years? The answer, 6.2 cents. So this tax cut, basically, will give back 6.2 cents out of every dollar that taxpayers are going to send to Washington in the next 10 years. Six point two cents out of every dollar sounds like a fairly modest tax cut, and it is.

Let me compare it to the Kennedy tax cut—the proposal that John Kennedy, as President, sent to Congress—a tax cut, by the way, that cut rates across the board. We now hear from our colleagues that when we cut the bottom rate twice as much as the top rate, then it is skewed to the rich. But John Kennedy, when he submitted his tax plan, had an across-the-board rate cut. In fact, when the question was raised, he said, “A rising tide lifts all boats.” “When you look at his tax cut and ask how many pennies out of every dollar in revenue were collected in the 10 years after it was adopted, you find that it gave back 12.6 cents out of every dollar. It was over twice as big as the Bush tax cut. The Reagan tax cut, in the last 10 years, out of every dollar collected, it was three times as big as the Bush tax cut. So the first point I want to make is, when you look at the tax cut in terms of how much taxes people are paying, the Bush tax cut is a modest and responsible tax cut. It is half as big as what President Kennedy proposed in 1961, and it is one-third the size that Reagan proposed in 1981. And it is 2001 and it is time for another tax cut.

Many people are saying it is not big enough. My response to that is, let’s do it, and if the economy gets stronger, we can cut taxes again next year. This doesn’t have to be the last tax cut of the first Bush term. But this, by historic standards, is a modest tax cut. That is the first point I want to be sure everybody understands.

The second point is, this is a tax cut that America not only needs, but that we can afford. Let me remind everybody—Mr. DOMENICI made, but it is a point worth making—last year, in the last 6 months, we increased spending by $561 billion over 10 years. This surplus has literally been burning a hole in our pockets. Even the Chairman of the Federal Reserve Bank, Alan Greenspan, who is very loath to criticize Congress, in testimony before the Banking Committee, raised the issue about what has happened to spending in the last 2 years and expressed his concern that interest rates are paying it. If you listen to our Democrat colleagues, you would get the idea that President Bush is just slashing spending, and they have all these charts about how he is not doing enough and they are going to do more and more—trillions, billions of dollars more. This is not the case.

The plain truth is, the Bush budget takes every penny we have spent in the last 6 months in the biggest spending spree in American history and uses that as the beginning point and raises spending by 4 percent. How, based on that, can anybody argue that the President is cutting spending? In fact, he adds $1 trillion of new spending in the next 10 years over the current level.

Now, he adds a 4-percent increase that adds $1 trillion to Government spending over the next 10 years. But even after you spend that $1 trillion, you are still looking at a $5.6 trillion surplus over the next 10 years, according to the Congressional Budget Office. If we take out the amount of money that is committed to Social Security and Medicare, we have $3.1 trillion left in what is known as the on-budget surplus. And then the President Bush has proposed that roughly half of that money, that surplus, go to his tax cut. This is a modest tax cut by historic standards—half the size of the Kennedy proposal, a third of the size of the Reagan proposal, and it is also a tax cut that we can afford. Now, we cannot afford it if you are going to let the Democrats spend this money. That is true. You can’t spend it and give it back. You can spend $1 trillion on top of what we have already spent, but since one-third of the Federal debt of this country is held by foreign governments, foreign central banks, that we don’t want to pay a premium in order to buy this debt back.

But this is the plain truth. Let me show you the following chart. We currently owe $3.4 trillion in debt that is held by the public. If we didn’t do the tax cut, we would have enough surplus to pay this off by 2009. Doing the tax cut, we will have enough surplus to pay off one-third of the Federal debt of this country is held by foreign governments, foreign central banks, that we don’t want to pay a premium in order to buy this debt back.

Here is the point. We are paying down debt as quickly as we can pay it down. If we control spending, if we are prudent about what we do, we can increase Government spending by 4 percent, which is more than the average family budget is going up this year, and we can have the Bush tax cut, and we can pay down debt as much as we
will be capable of doing, given the bonds that are available.

So let me conclude by simply making the following points. This is a choice in the end between letting people spend this tax surplus or having the Government spend it. I am sure there are many Americans, not a majority, but many Americans who are not paying taxes and would rather the Government spend it because they might get some of it. I think most Americans who work for a living and who pay taxes would believe they can spend $1,600, which is the average tax cut in my State, better than the Government could spend it if the Government got to keep it.

That ultimately is what this debate comes down to. We have put together a very responsible budget. In fact, I have been involved, one way or another, in every budget debate since 1979. I have seen a lot of budget proposals that were rosy scenarios or had magic asterisks and had kinds of gimmicks. I have never seen a budget that is more realistic and more achievable than the Bush budget.

The Bush budget has no gimmicks in it. The reason it has no gimmicks in it is because it has the most modest tax cut that has an achievable proposal in debt reduction, and it has a modest increase in Government spending. But if you believe Government spending should keep growing, the way it did in the last 6 months, and you believe we cannot afford a tax cut, then you are right.

The question is, Should Government spending grow that fast? Should we literally spend this surplus instead of giving part of it back? I do not think we should.

I urge my colleagues to vote for this budget. I want to pay down the Government debt, and I am in favor of setting out a program to pay it down as quickly as it is physically possible as the bonds become due. Any bond that is due as it is physically possible as the bond comes due ought to be paid off, and we should not borrow more money.

There is another kind of debt, private debt. Twenty million families are carrying debt on credit cards. There are a lot of families who would like to engage in debt reduction. This tax cut will let families reduce their debt as the top rate half as much as the bottom rate.

The second part is repealing the marriage penalty and doubling the child tax credit. We think families should keep more of what they earn to invest in themselves and their families. Government does not always work, but the family will work if it has the resources to work.

The third part is repealing the death tax, believing that when people build up a family business or family farm and they pay taxes on every dollar they earn, we ought not to force their children to sell off their business or sell off their farm to give another tax to the Government.

Ultimately, we are going to hear in this debate that Bill Gates will be able to buy a Lexus. Bill Gates already has a Lexus. Can anybody who believes that a man who pays 1,000 times as much income tax as I do does not deserve a bigger tax cut than I get? The fact he is richer is irrelevant. He already has a Lexus.

We are going to hear other people say: Yes, but low-income people who do not pay much in taxes will only get enough to buy a tailpipe system and muffler. Will you buy a tailpipe system and muffler later? Obviously, you have not, but if you had, you know it costs a lot of money, and if you need a tailpipe system and a muffler, having the money to pay for it makes a big difference.

This is going to be an important debate. Often we talk about things that do not matter. We spend endless hours talking about issues that somebody thinks is important and that often do not end up being important. This issue is important. What America will look like 10 years from now and 100 years from now will be determined, in part, significantly by the outcome of this debate.

If we adopt the President’s budget, if we enforce it, and if we cut taxes, I believe America will be richer, freer, and happier 10 years from now and 100 years from now than it would be if we do not. I believe Government will be bigger if we do not. I think Government will be spending more money if we do not. I think the tax burden will be heavier if we do not.

If you think you can make America greater by making Government bigger, then you would vote against this budget, but if you believe, as I do, that letting working families invest more money in their children, in their community, and in their family makes for a better America, then making it so people who work hard for a living get to keep more of what they earn and not end up working a third of the year just to pay for Government, if you believe that makes for a better America, you have to believe this debate is important.

Whatever happens, one thing is clear: We are not going to waste this week. This week we are going to make very important decisions that will affect the well-being of everybody who will call themselves Americans for a very long time. That is why this debate is so critically important.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the Senator from Texas began by saying I was a good advocate but I was playing a weak hand. I say to him, he is an outstanding advocate. I do not agree with him. I think his prescription for America really is not the priorities of the American people.

Most of all, I always enjoy listening to him, but I must say, the words he speaks bears almost no relationship to the facts and certainly no relationship to the budget I have offered. What I find most enjoyable is that the Senator from Texas has been giving this same speech for 20 years, and it does not matter if the facts have changed completely, he sticks with his speech. So I applaud him for his consistency.

When he says this is a question of more and bigger Government or smaller Government, that is not what this is about. No, no, no. That is the old debate. That is the old, tired debate, but that is not what this budget resolution is about.

The budget resolution I have offered today would shrink the role of Government and would dedicate more of the money to debt reduction. The truth is, the fundamental difference between our budget proposals is we have dedicated about 7 percent of this projected surplus to short-term and long-term debt reduction. The President’s plan devotes about 35 percent to short-term and long-term debt reduction. That is the big difference. They have a much bigger tax cut. We have much more money for short-term and long-term debt reduction. That is the real difference.

Weren’t the Senator from Texas says there has just been this explosion of Federal spending, come on. We know better than that. That is not what has been happening. There has not been any big explosion of Federal spending. Let us deal with the facts.

This is what has happened to Federal spending from 1962 to 2002. This is what has happened to Federal spending as a share of our gross domestic product, which is the best way to compare so we are not just looking at percentage dollars.

We see that the Federal spending is now at the lowest level since 1966. We are down to 18 percent of gross domestic product being consumed by the Federal Government. Of course, where does most of our money go?

Most of the tax revenue goes for Social Security, direct payments to the American people: Medicare, direct payment of the health bills of the American people; interest on the debt, the debt of the American people. Another big expenditure is paying down the debt, the debt of the American people.

The President has said very often, this is the people’s money; we ought to
give it back to the people. First of all, I agree with the first part of his formulation. This money is the people’s money. Absolutely. We should give some of it back to the American people. Absolutely.

But the debt is the debt of the American people. Social Security goes to the American people. Medicare goes to the American people. National defense is for the American people. A prescription drug benefit goes to the American people. That is the way education is the education of the American people. All of these are the people’s needs and the people’s priorities. This is not a case where the money goes to the Government, the Government sticks it in a sock somewhere. This is a question of how we best use our resources to provide a significant tax cut to protect Social Security and Medicare, to improve education and defense, and the rest.

What President Bush says is we have been on a spending binge, it is just not true. As I indicated, we have been seeing the Federal Government spending share come down each and every year since 1992. We were at 22 percent of gross domestic product in 1992; we will be at 18 percent of gross domestic product this year. The Federal share of the national income has been going down steadily.

Under the Democrat alternative that we have offered and are proposing to our colleagues, we continue to bring down the share of the Federal income going to the Federal Government. We continue to shrink the size of the Federal Government from 18 percent of gross domestic product to 16 percent at the end of this period, the smallest part of national income going to the Federal Government since 1951.

This dog won’t hunt. This tired old debate over spending and those are the only options—those are not the only options. Those are false choices for the American people. The truth is, the choices are more complicated than that. It is not just a question of spending or tax cuts; it is a question of spending or tax cuts or debt reduction, short term and long term.

On our side, we have said the highest priority is additional debt reduction. Why? Because we know where we are headed when the baby boomers start to retire and this long-term debt takes off like a scalded cat.

It is interesting; the Republicans claim that this is just a question of our spending our spending their spending. Under their plan, they may well be spending more money next year than our plan provides. Our plan provides a 5-percent increase in overall spending next year. The Republican plan may be as little as 4.9 percent, slightly less than ours, but if they use their contingency fund they can go more spending, in which case our friends on the other side of the aisle have more spending than we do.

What a surprise. This is the same old shell game they have engaged in for years, this is a question of tax cuts versus spending. That is not the choice. We are saying, devote most of these resources, 70 percent of this projected surplus, to paying down short-term and long-term debt. They are dedicating more to a tax cut. That is the fundamental choice. It is not a choice of spending versus tax cut; it is a choice of tax cut versus paying down the debt. That is the fundamental choice before the American people in the budget resolution we offer versus the budget resolution they offer.

There are as well. We have provided $750 billion to start to address our long-term debt that will be created by the retirement of the baby boom generation. We have put aside $750 billion to strengthen Social Security. They have an egg for that purpose; they have nothing.

We talk about those who are being fiscally responsible. I will vote for our side. I am happy to take our budget and defend it anywhere because we have devoted twice as much money to short-term and long-term debt reduction as the other side.

Now my colleague from Texas says: The Democrats didn’t support the Social Security/Medicare lockbox we proposed in June, we didn’t support their lockbox. Certainly, we did not. It was a leaky lockbox. It didn’t lock up anything. In fact, the Treasury Secretary said it endangered our ability to pay the debt of the United States. That was the lockbox they offered.

The lockbox we voted for, to protect Social Security and Medicare, was a lockbox I offered on the floor of this Senate last year. It got 60 votes, including the Texan. When the Senator suggests Democrats didn’t support protection for Social Security and Medicare, it is just false. He knows it is false. He knows it is absolutely false. We supported protection for Social Security and Medicare, and it is the proposal that passed here with the highest number of votes in the Senate, 60 votes.

The Senator from Texas says: They didn’t vote for my constitutional amendment to balance the budget. He is exactly right. We didn’t vote for his constitutional amendment to balance the budget because it defined “balancing the budget” as one that looted the Social Security trust fund to achieve balance. He is darn right we didn’t vote for that. We have been able to balance the budget subsequent to that without raiding the Social Security trust fund.

But the right, who is wrong about that dispute? He came out here with a constitutional amendment and said we had to pass it; it was the only way to balance the budget, and he defined “balancing the budget” as raiding the Social Security trust fund to achieve balance. What a fraud. What an absolute fraud that would be for balancing the budget. No, we didn’t vote for it. We voted against it because we wanted to balance the budget without counting Social Security. That was the right thing to do.

The Senator from Texas said we increased spending last year by $561 billion. No, we didn’t. There was no $560 billion of the President’s spending last year.

Let’s go back to the record. Here is what has happened with spending. As a share of the economy, Federal spending has gone down each and every year, including last year. Under the plan we are offering, it is not going down as a share of our national income, as a percentage of our gross domestic production. That is the way economists say is the best way to measure changes in spending over time because that is adjusting for inflation.

The Senator from Texas says this is a question of more Government or more opportunity. Those are not the choices before us. That is a good speech line, but it has absolutely no relevance to the choices before us in this budget resolution. The fact is before us are a series of choices, not just one or the other; it is a series of choices.

The first choice is do we reduce the size of the President’s proposed tax cut in order to have more short-term and long-term debt reduction? We say yes. We say we ought to reduce the size of his tax cut so we have more short-term and long-term debt reduction. We also ought to reduce his tax cut to set aside money to strengthen Social Security for the long term.

We also believe we ought to reduce the size of his tax cut to improve education and to provide a prescription drug benefit and to strengthen national defense because those are also priorities of the American people.

But we only endorse those spending initiatives in the context of maximum resources of our existing budget, of putting aside money to deal with our long-term liabilities, and also within the context of continuing to shrink the role of the Federal Government.

Let’s go back to that chart that Senator from Texas talked about. If we continue to propose, we would continue to shrink the role of the Federal Government from 18 percent of gross domestic product today, down to 16.4 percent at the end of this period, the lowest level since 1951. That is the lowest level in 50 years.

The Senator from Texas also said we are paying down all the debt we can...
President able, if you safeguard the Social Security when there is only $2.5 trillion available, the first two are $500 billion, the President $300 billion to fix that problem.

House we have seen come over from the Medicare trust fund, $500 billion. The President is saying we can be paid down. I thought the most compelling testimony was by the man for his tax cut.

Today there are 2 million people affected by the alternative minimum tax, and if we pass the President's plan, 30 million are going to get caught up in the alternative minimum tax. It costs $300 billion to fix that problem.

Those are the principles and the values that have formed the budget we are offering on our side. It is a budget that protects every penny of the Social Security and Medicare trust funds, a budget that takes what is left and provides a third for Social Security, a third for defense, and with the final third, taking that money to strengthen Social Security for the long term, to address this long-term debt that is building.

Medicare. Do you know what it is? Will the $1.6 trillion tax cut promote longer prosperity at higher rates of growth than if we don't do it?

Americans, if you are wondering what is going to make Social Security more and more solvent, it is, the sooner we get out of this dip in the economy and the sooner we go for 8 or 9 more years with sustained growth at a moderate rate as projected in this budget, the better off everyone will be. Frankly, I believe that I have been listening. I have gotten a great education. I tell my New Mexicans all the time—indeed to the greatest economists—that we have more to do with the future of the American economy year by year—by listening to them. The one to whom I have listened tentatively is Dr. Alan Greenspan. Let me say about our new President. President, whether you talk to him or not, he listens. You get some waves from him as to what you should do with a surplus. I can't quote
him, but let me paraphrase him accurately.

He said: If you have a very large surplus—and he was amazed that it was as big as $5.6 trillion, but he concurs that it is, under current projections—which he also calls a modest projection and not some blue-sky projection. But he says: If you have a surplus and it is big, pay the debt down. And then, when you have done as much of that as you consider the next priority for government and the national rates.

Why was he saying that? Was he saying that because he just wants to cut marginal rates? And Alan Greenspan doesn’t think that every rate should get a cut, as our good friend from Texas explained. Of course not. It is because that is the very best thing for the American economy. That is the best thing for the future of our senior citizens and for Medicare. Yes. Even for that long-term debt that is out there, and one of that government traditional debt, which our friend puts up on a map on one of his charts as if we were busy paying off that gross debt. It isn’t even considered in the unified budget when the economists look at America, in March 10, 15, 20 years.

The point is: The recommendation is that you pay debt as the first priority, and the second highest priority with the surplus is to cut marginal rates. Guess what? The third and last priority is to spend the surplus.

That is not Senator Pete Domenici. That is what I have learned from experts, including the expert who tells us what is best for America. That means America’s families; that means everybody who is concerned about paying their mortgage or adding on to their house—all of these things plus businesspeople who are making money at their businesses. They are highly motivated by what they get to keep.

That is why all the experts say the second highest priority with the surplus is to cut marginal rates.

I am going to spend tonight talking about how much is the right amount to pay on the debt. I will just tell you that for those who worry about what portion of our budget is interest on the national debt, let me guess with you. I have it on the chart up there. But currently it is about 13.5 to 14 percent. So every budget has a big slice of it—13 to 14 percent to pay down the debt as a percentage of the total budget.

It is as if we don’t plan to do anything about it, if you listen to the other side.

Do you know what it will be after 10 years of paying down the debt as we contemplate it percentage-wise? Three: It will be 14 percent of the Federal budget down to 3 or 3 1/3.

When people say we are not paying down the debt and you show them that chart, is this paying down the debt fast enough? Everybody says, of course, that is paying it down fast enough.

If you want to be technical, bring in two experts and ask if we could pay it down faster. You will find two who will say we can.

But to tell you the truth, I have almost become convinced that it is not the right thing for me to say as a non-economist—or maybe it is for a non-economic businessperson surplus can get too big. I think it can be a drag on the growth in the economy. I believe to pay it down any faster than we propose is very risky. I really believe that is plenty of debt payment for this generation and this little timeframe to be put into debt down. I believe that over 25 years or maybe 40 years. It is just a lot to take out of the economy.

So everyone will know how much debt we should pay down, we had a witness. He is a very excellent economist. He said none. He didn’t say they are right or you are right. He said you are both wrong. Don’t pay any of it down. Because he is very worried about a slowing of the economy and paying the debt down too faster. I am not saying that. I am just giving you parameters of what we heard.

We had another prominent witness from the Treasury Department of Bill Clinton saying we should cut it down very fast. We had a Democrat in the Treasury Department. They produced a budget. President Clinton produced a budget and didn’t even ask him. They put in their budget precisely the numbers that George W. Bush is using in his budget forecast.

All the talk we hear: Is it enough? Is it too small? Should it be bigger? We are talking about the end of this 10 years, and we are talking about $300 billion to $400 billion at the tail end of this entire process.

I want to close by saying again to my fellow Republicans and to anyone on the other side who wants to treat George W. Bush fairly, to treat him as the Democrats treated President Clinton, when the President have a trial, have an opportunity, have a chance at taking his budget to the next level? Let’s work on tax cuts, and see where the American people are when we get down to the details of tax cuts. I believe he deserves that.

If this Senator were frightened about this budget bringing us back to deficit spending, I would be here saying we just should not do it. I have been fighting too long to get where we are. But I honestly believe there is a higher chance that we will have a bigger surplus than is reported than we will have a lower amount. I think the highest probability is that it will be about right.

When you see that funnel up there on that graph that my good friend offered—it came from the Congressional Budget Office, so I can speak to it also; it looked like a big wave of bees—if you look at it carefully, right down the middle is where it is all dark, and that is where there will be some new purpose there that long-term debt that is out there, citizens and for Medicare. Yes. Even for some of that gross national debt, let me guess with you. I do not know how yet, but it will get spent. Everyone will be just like an excuse, just about like the amendments that are going to be offered to the Bush budget tomorrow and the next day, where there will be some new purpose that we should add to it well beyond what he recommended. But in the end, fellow Senators and those listening, those are all using the surplus to spend money instead of giving the taxpayer a break. If we want to spend money, spend what is left over. There is still a lot left over.

I ask my friend, what is your desire regarding the rest of the evening?
States between 1982 and 1995, that $5.6 trillion surplus would turn into a $3.2 trillion surplus—one estimate, one part of the projection, and 40 percent of the surplus goes right out the window. It is not wise to bet the farm on a 10-year forecast, a 10-year forecast made after 5 of the strongest economic years in the history of the United States, at a time a downturn has started.

Sometimes one wonders if we have all gone mad in the giddiness of markets. We saw the NASDAQ go from 1,500 to 5,000 and fall back to 1,800. Isn’t there a warning there someplace? Do we really believe that things that just keep going up, up, up? Is there no caution here? I believe we can all hope that things keep going up, up, up. I certainly do. That would be good for the economy, good for the country, and make our jobs a lot easier. But I do not think we ought to bet the farm on it.

This whole thing about it is the people’s money and we ought to give it back to the people—if you examine our proposal, we are giving as much back as they are. We are just doing it a different way. We have a tax cut that is half as big as theirs. But we have another $800 billion that we are proposing to use for strengthening Social Security for the long term, and we have another 1,500 to 5,000 and fall back to 1,800. Isn’t there a warning there someplace? Do we really believe that things that just keep going up, up, up? Is there no caution here? I believe we can all hope that things keep going up, up, up. I certainly do. That would be good for the economy, good for the country, and make our jobs a lot easier. But I do not think we ought to bet the farm on it.

The differences between us are important differences, but it is not a question of we want to take the money and just spend it on Government programs and they want a tax cut. Those are not the choices. They are just not the choices. The choices are, No. 1, that we would take the money and use it to strengthen Social Security for the long term by establishing something like the thrift savings plan accounts for people that every Federal employee has. That is not money that is going to be spent on Government programs. That is money that is going to be available for savings and investment by the American people. On top of that, we advocate another $750 billion of tax cuts.

So if you compare their tax cut to our proposal of tax cuts and money that is available for individual accounts, to strengthen Social Security, and provide a pool of savings and investment for the strengthening of the economic future of America, we both have the amount of money going directly back to the American people. But in addition to that, we have reserved a lot more of this projected surplus for paying down the people’s debt. Yes, it is the people’s money, absolutely. It is also the people’s debt. It is also the people’s education and the people’s defense, and the people’s Social Security.

This is not a question of spending versus tax cuts. I know the other side always loves to use that formulation. That is not our budget plan. Our budget plan is fundamentally a question of more debt reduction, both short term and long term, versus more for tax cuts. That is a fundamental choice before us.

We believe, yes, there ought to be a significant tax cut, but we also believe we ought to use more of this projected surplus for short-term and long-term debt. We devote about twice as much as their budget resolution for those purposes.

We think it is a better use of the people’s money to dump the people’s debt while we have this opportunity because it is a fleeting opportunity. In 11 years, those baby boomers start to retire, and then the obligations of the Federal Government are going to skyrocket with it. We have a plan in order for that. We are obligations of the American taxpayer. I hope very much that as we continue this debate, the choices will become clear.

I will end as I began, by saying our budget plan seeks to put aside every penny of Social Security and Medicare trust funds, reserving it for those purposes, and then to have a significant tax cut, a tax cut of $900 billion, including interest, $900 billion for high-priority domestic needs such as improving education, a prescription drug benefit, strengthening our national defense, and then that final $900 billion, or roughly that, to strengthen Social Security for the long term—resources reserved so we can strengthen the Social Security system.

Every single proposal that is serious about strengthening Social Security for the long term has a cost associated with it. We provide them. They don’t. That is a very fundamental difference between these plans.

Again, I look forward to continuing this debate tomorrow and thank my colleagues and others who have been listening.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate Budget Committee staff named on the following list be permitted to remain on the floor during consideration of S. Con. Res. 101 and that the list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

MAJORITY STAFF

MINORITY STAFF
what? We are going to buy up private securities with it? What are we going to do with it in the meantime?

Maybe my friend can answer that, and maybe it is truly invested. I don’t know how it gets invested.

My last observation, one more time, is that President Bush deserves an opportunity. To those watching tonight, he has proposed a very reasonable and responsible budget plan. We are only asking that it be permitted to take one step forward and see if the next committee will choose to adopt it and whether the Senate will adopt those bills later. I believe he deserves that. He is the President. He has made a very important proposal. He is telling us precisely why he is doing it. He wants the American people to get a refund now in some way of $60 billion, but he wants to fix the Tax Code where he has proposed a very reasonable and helpful tax plan. If you want to do some other budget resolution. We will keep working for it, and we will have a lot of Senators on our side.

I hope in the end, if they want to make amendments, they will end up voting for the critical essence of this President’s approach; that is, the tax plan. If you want to do some other things in this budget, leave his tax plan intact and let’s see how it comes out in the end for the American people.

MORNING BUSINESS
Mr. DOMENICI. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak therein for up to 10 minutes each.

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

NATIONAL LIBRARY WEEK
Mr. SARBAZENES. Mr. President, this week, from April 1-7, we are celebrating the 43rd anniversary of “National Library Week.” As a strong and vigorous supporter of Federal initiatives to strengthen and protect libraries, I am pleased to take this opportunity to draw my colleagues’ attention to this important occasion and to take a few moments to reflect on the significance of libraries to our nation.

When the free public library came into its own in this country in the 19th century, it was, from the beginning, a unique institution because of its commitment to the same principle of free and open exchange of ideas as the Constitution itself. Libraries have always been an integral part of all our country embodies: freedom of information, an educated citizenry, and an open and enlightened society. They are the only public agencies in which the services rendered are intended for, and available to, every segment of our society.

It has been my longstanding view that libraries play an indispensable role in our communities. From modest beginnings in the mid-19th century, today’s libraries provide well-stocked reference centers and wide-ranging loan services based on a system of branches, often further supplemented by traveling libraries serving outlying districts. Libraries offer the reading of books among adults, adolescents, and children and provide the access and resources to allow citizens to obtain reliable information on a vast array of topics.

Libraries gain even further significance in this age of rapid technological advancement where they are called upon to provide not only books and periodicals, but many other valuable resources as well. In today’s society, libraries provide audio-visual materials, computer services, Internet access terminals, facilities for community lectures and performances, tapes, records, videocassettes, and works of art for exhibit and loan to the public. In addition, special libraries provide services for older Americans, people with disabilities, and hospitalized citizens.

Of course, libraries are not merely passive repositories of materials. They are places where a spark is often struck for discovery, for educational achievement, for employment, for making our country stronger and more competitive. They are places in a sense where a spark is often struck for discovery, for educational achievement, for employment, for making our country stronger and more competitive.

My own State of Maryland has 24 public library systems providing a full range of library services to all Maryland citizens and a long tradition of cooperation and sharing of resources. This policy has been enhanced by the State Library Network which provides interlibrary loans to the State’s public, academic, special libraries and school library media centers. The Network receives strong support from the State Library Resource Center at the Enoch Pratt Free Library, the Regional Library Resource Centers in Western, Southern, and Eastern Shore counties, and a Statewide database holding totally 178 libraries.

The State Library Resource Center alone gives Marylanders free access to approximately 2 million books and bound magazines, over 1 million U.S. Government documents, 600,000 documents in microform, 11,000 periodicals, 50,000 maps, 300,000 Maryland State documents, and over 19,000 videos and films.

The result of this unique joint State-County resource sharing is an extraordinary level of library services available to the citizens of Maryland. Marylanders have responded to this outstanding service with 54.7 percent of the State’s population registered as library patrons. Additionally, the total holdings of cataloged and uncataloged book volumes, video and audio recordings, periodicals, electronic formats, and serial volumes have increased by 1 million from 1998 to 2000 to total over 16.5 million in library holdings.

I have had a close working relationship with members of the Maryland Library Association and others involved in the library community throughout the State, and I am very pleased to join with them and citizens throughout the nation in this week’s celebration of “National Library Week.” I look forward to a continued close association with those who enable libraries to provide the unique and vital services available to all Americans.

ADDITIONAL STATEMENTS

MAGAZINE PRAISES RJR AS A BEST PLACE TO WORK
• Mr. HELMS. Mr. President, a great many of us who live in tobacco-producing states, and particularly North Carolina, whose tobacco farmers for years have produced quality tobacco mainly flue-cured but some burley, are proud of our fine farmers many of whom harvest an enormous amount of excellent food and fiber products.

We are grateful for North Carolina’s tobacco companies which paved the way for our State’s becoming national leaders in business, banking, and manufacturing of many kinds.

Charlotte is the second largest banking center in America. The Bank of America is headquartered there.

Some time ago Fortune Magazine announced that its annual survey had confirmed that R.J. Reynolds Tobacco Company of Winston-Salem is one of the 100 best companies in America to work for. The Chairman and CEO of RJR, Andrew J. Schindler, states that the key reason why Reynolds Tobacco won the award is, “It’s our people. Without the hard work, creative energy, pride and dedication of our employees, RJR could not have been successful.”

Then Mr. Schindler added: “The real secret to Reynolds Tobacco’s success is that our employees stand together as a close corporate family, and that’s what makes our company stand apart from the crowd. This company is filled with extraordinary people, making Reynolds Tobacco an extraordinarily good place to work,” Schindler stressed.

There’s a point in all of this that ought not to go unnoticed like a ship passing in the night: Some of the trial lawyers, seeking to line their pockets with hundreds of thousands of dollars in court-awarded cash, have portrayed tobacco companies as villains and the corporate leaders of those companies as crooks. Contrived lawsuits have flattened the concept of intellectually dishonest trial lawyers portraying the company leaders as dishonest men and women with evil intent. This is simply...
not so, and those trial lawyers know it’s not so.

Nobody in my family smokes, but one of them was indigent several months ago at some of the false declarations of some of the trial lawyers. She said: ‘I’m sorry for anyone whose health has declined because of smoking or whatever cause, but I’ve never heard of an instance where anybody started smoking because a gun was pointed at his head.’

MEASURES PLACED ON THE CALENDAR

The following concurrent resolutions were discharged pursuant to Public Law 93–344, and placed on the Calendar:


REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GRAMM, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 149: A bill to provide authority to control exports, and for other purposes (Rept. No. 107–10).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. SCHUMER:

S. 671: A bill to provide for public library construction and technology enhancement; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. FEINSTEIN:

S. 672: A bill to amend the Immigration and Nationality Act to provide for the continued classification of certain aliens as children for purposes of that Act in cases where the aliens “age-out” while awaiting immigration processing, and for other purposes; to the Committee on the Judiciary.

By Mr. HAGEL (for himself, Mr. BIDEN, and Mr. LUGAR):

S. 673: A bill to establish within the executive branch of the Government an inter-agency committee to review and coordinate United States nonproliferation efforts in the independent states of the former Soviet Union; to the Committee on Governmental Affairs.

By Ms. COLLINS (for herself and Ms. LANDRIEU):

S. 674: A bill to amend the Internal Revenue Code of 1986 to provide new tax incentives to make health insurance more affordable for small businesses, and for other purposes; to the Committee on Finance.

By Mr. ENZI (for himself and Mr. THOMAS):

S. 675: A bill to ensure the orderly development of coal, coalesed methane, natural gas, and oil in “common areas” of the Powder River Basin, Wyoming and Montana, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. ENROSS, Mr. MURkowski, Mr. Torsccelli, Mr. Schum er, and Mr. Breaux):

S. 676: A bill to amend the Internal Revenue Code of 1986 to extend permanently the partial F exemption for active financing income; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. Breaux, Mr. Jeppfords, Ms. Snowe, Mrs. Lincoln, and Mr. Allard):

S. 677: A bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financing to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes; to the Committee on Finance.

ADDITIONAL COSPONSORS

S. 77: At the request of Mr. DASCHLE, the names of the Senator from Rhode Island (Mr. REED) and the Senator from Michigan (Ms. Stabenow) were added as cosponsors of S. 77, a bill to amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for other purposes.

S. 104: At the request of Ms. Snowe, the name of the Senator from Georgia (Mr. Cleland) was added as a cosponsor of S. 104, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 127: At the request of Mr. McCain, the name of the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 127, a bill to give American companies, American workers, and American ports the opportunity to compete in the United States cruise market.

S. 145: At the request of Mr. Thurmond, the name of the Senator from Connecticut (Mr. Lieberman) was added as a cosponsor of S. 145, a bill to amend title 10, United States Code, to increase to parity with other surviving spouses the basic annuity that is provided under the uniformed services Survivor Benefit Plan for surviving spouses who are at least 62 years of age, and for other purposes.

S. 170: At the request of Mr. Reid, the name of the Senator from Virginia (Mr. Allen) was added as a cosponsor of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 177: At the request of Mr. Akaka, the name of the Senator from Arkansas (Mr. Hutchinson) was added as a cosponsor of S. 177, a bill to amend the provisions of title 39, United States Code, relating to the manner in which pay policies and schedules and fringe benefit programs for postmasters are established.

S. 225: At the request of Mr. Warner, the name of the Senator from Iowa (Mr. Harkin) was added as a cosponsor of S. 225, a bill to amend the Internal Revenue Code of 1986 to provide incentives to public elementary and secondary school teachers by providing a tax credit for teaching expenses, professional development expenses, and student education loans.

S. 230: At the request of Mr. Biden, the names of the Senator from Washington (Ms. Cantwell) and the Senator from Florida (Mr. Nelson) were added as cosponsors of S. 250, a bill to amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Atrix, and for other purposes.

S. 432: At the request of Mr. Mankowski, the names of the Senator from Idaho (Mr. Craig) and the Senator from Virginia (Mr. Warner) were added as cosponsors of S. 452, a bill to amend title XVIII of the Social Security Act to ensure that the Secretary of Health and Human Services provides appropriate guidance to physicians, providers of services, and ambulance providers that are attempting to properly submit claims under the medicare program to ensure that the Secretary does not target inadvertent billing errors.

S. 458: At the request of Mr. Schumer, the name of the Senator from Wisconsin (Mr. Kohl) was added as a cosponsor of S. 458, a bill to amend the Internal Revenue Code of 1986 to make higher education more affordable, and for other purposes.

S. 476: At the request of Mrs. Clinton, the names of the Senator from West Virginia (Mr. Byrd) and the Senator from Delaware (Mr. Biden) were added as cosponsors of S. 476, a bill to amend the Elementary and Secondary Education Act of 1965 to provide for a National Teacher Corps and principal recruitment, and for other purposes.

S. 500: At the request of Mr. Burns, the name of the Senator from Kentucky (Mr. Bunning) was added as a cosponsor of S. 500, a bill to amend the Communications Act of 1934 in order to require the Federal Communications Commission to fulfill the sufficient universal service support requirements for high cost areas, and for other purposes.

S. 540: At the request of Mr. DeWine, the name of the Senator from South Dakota (Mr. Daschle) was added as a cosponsor of S. 540, a bill to amend the
Internal Revenue Code of 1986 to allow as a deduction in determining adjusted gross income the deduction for expenses in connection with services as a member of a reserve component of the Armed Forces of the United States, to allow employers a credit against income tax with respect to employees who participate in the military reserve components, and to allow a comparable credit for participating reserve component self-employed individuals, and for other purposes.

S. 543

At the request of Mr. WELLSTONE, the names of the Senator from New York (Mrs. CLINTON), the Senator from West Virginia (Mr. BYRD), and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 543, a bill to provide for equal coverage of mental health benefits with respect to health insurance coverage unless comparable limitations are imposed on medical and surgical benefits.

S. 570

At the request of Mr. BIDEN, the names of the Senator from Washington (Mrs. MURRAY), the Senator from Massachusetts (Mr. KERRY), and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 570, a bill to establish a permanent Violence Against Women Office at the Department of Justice.

S. 627

At the request of Mr. GRASSLEY, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 627, a bill to amend the Internal Revenue Code of 1986 to allow individuals a deduction for qualified long-term care insurance premiums, use of such insurance under cafeteria plans and flexible spending arrangements, and a credit for individuals with long-term care needs.

S. 630

At the request of Mr. BURNS, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 630, a bill to prohibit senders of unsolicited electronic mail from disguising the source of their messages, to give consumers the choice to cease receiving a sender’s unsolicited commercial electronic mail messages, and for other purposes.

S. 670

At the request of Mr. DACCHLE, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 670, a bill to amend the Clean Air Act to eliminate methyl tertiary butyl ether from the United States fuel supply and to increase production and use of ethanol, and for other purposes.

S. RES. 41

At the request of Mr. HATCH, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. Res. 41, a resolution designating April 4, 2001, as “National Murder Awareness Day.”

S. RES. 57

At the request of Mr. BOND, the names of the Senator from Kansas (Mr. ROBERTS), the Senator from Wisconsin (Mr. FEINGOLD), and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. Res. 57, a resolution designating the third week of April as “National Shaken Baby Syndrome Awareness Week” for the year 2001 as and for all future years.

S. RES. 63

At the request of Mr. CAMPBELL, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. Res. 63, a resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN.

S. 672. A bill to amend the immigration and Nationality Act to provide for the continued classification of certain aliens as children for purposes of that Act in cases where the aliens “age-out” while awaiting immigration processing, and for other purposes, to the Committee on Judiciary.

Mrs. FEINSTEIN. Mr. President, today I am pleased to introduce the Child Status Protection Act of 2001. This legislation would protect children who are in danger of losing their eligibility for an immigration visa because of the inability of the Immigration and Naturalization Service INS to process their petitions or applications in a timely fashion.

Children caught in the INS backlogs often face the problem of “aging out” of eligibility for family-based visas on their 21st birthday. One case recently brought to my attention was that of a couple who were lawful permanent residents. In 1993, they filed family-based petitions for their three children. Although the INS approved the petitions, as of March 2000, none of the children had become permanent residents. When they turned 21, the two oldest children were switched into another visa category because they no longer qualify as “minor children.” Now they are in another backlog in which they have to wait another eight years to get a green card.

The legislation I have introduced today would provide a child, whose timely filed application for a family-based, employment-based, or diversity visa was submitted before the child reached his or her 21st birthday, the opportunity to remain eligible for the visa to be unavailable before the child reached his 21st birthday.

In recent years, the INS has faced a dramatic increase in the number of immigration benefit petitions and applications filed. This combined with the agency’s slow service, and antiquated filing and computer data systems, has caused millions of our constituents to endure long waits of three to five years before getting their cases adjudicated.

The INS backlogs have carried a heavy price: children who are the beneficiaries of petitions and applications are “aging out” of eligibility for their visa even though they were eligible at the time their applications were filed. This has occurred because some immigration benefits are only available to the “child” of a United States citizen or lawful permanent resident and the Illegal Immigration Reform and Immigrant Responsibility Act defines a “child” as an unmarried person under the age of 21.

As a consequence, a family whose child’s application for admission to the United States has been pending for years may be forced to leave their child behind either because the INS was unable to adjudicate the application before the child’s 21st birthday, or because growing immigration backlogs in the immigration visa category caused the visa to be unavailable before the child reached his 21st birthday. As a result, the child loses the right to admission to the United States. This what is commonly known as “aging out.”

Situations like these leave both the family and the child in a difficult dilemma. Under current law, lawful permanent residents who are outside of the United States face a difficult choice when their child “ages-out” of eligibility for a first preference visa. Emigrating parents must decide to either come to the United States and leave their child behind, or remain in their country of origin and lose out on their American dream in the United States. In the end, we as a country stand to lose when we are deprived of their cultural gifts, talents and many contributions.

For lawful permanent residents who already live in the United States, their dilemma is different. They must make the difficult choice of either sending their child who had been lawful permanent residents the child who had been granted a visa eligibility back to their country of origin, or have the child stay in the United States out-of-status, in violation of our immigration laws, and thus, vulnerable to deportation. No law should encourage this course of action.

One compelling example is that of 17-year-old Juan, a youngster born in Guatemala, who applied for adjustment

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of status under the Nicaraguan and Central American Relief Act in 1999. He is a junior in high school with a 4.0 grade point average. His mother came to the United States in 1986, fleeing life-threatening conditions in Guatemala. Juan, who was six years old at the time, was left behind.

Today, Juan has yet to have an interview with the INS. Given the expected three- to five-year wait for the INS to adjudicate adjustment of status applications, this high achieving student may only miss out on his dream of becoming an engineer. His home state of California stands to lose out on the contributions he undoubtedly will make.

The aging out problem also extends to those who have fled persecution and are granted asylum in the U.S. Current law permits persons granted asylum to have their child join them in the United States. However, if the child ages out while the parent’s application for asylum is being adjudicated, the child is no longer automatically entitled to remain with his parent.

As Members of Congress we, too, have been confronted with this issue. Because the Attorney General does not have the discretion to protect the status of these children, we often are called upon to introduce private bills to grant them the status they deserve. Unfortunately, these bills are limited in number and not all deserving children are able to get private bills introduced on their behalf.

The Child Status Protection Act of 2001 would correct these inequities and help protect a number of children who, through no fault of their own, face the consequence of being separated from their immediate family. It is a modest but urgently needed reform of our immigration laws, and I urge my colleagues to support this legislation. I ask unanimous consent that the text of the Child Status Protection Act of 2001 be printed in the Record. There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 672

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Child Status Protection Act.”

SEC. 2. CHILD STATUS PROTECTION.

(a) IMMEDIATE RELATIVES.—Section 201(b)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)) is amended—

(1) to strike “(b)(2)(A)” before “(b)(2)(A)” (as amended by section 101(b)(1)(I)); and

(2) by adding at the end the following:

(b) FAMILY-SUPPORTED, EMPLOYMENT-BASED, AND DIVERSITY IMMIGRANTS.—Section 203(d) of the Immigration and Nationality Act (8 U.S.C. 1153(d)) is amended to read as follows:

(2) by adding at the end the following:

(c) ASYLUM.—Section 208(b)(3) of the Immigration and Nationality Act (8 U.S.C. 1158(b)(3)) is amended—

(1) to strike “(b)(3)(A)” before “(b)(3)(A)” (as amended by section 101(b)(1)(I)); and

(2) by adding at the end the following:

(3) by inserting “and” after “or” in clause (vi);

(4) by striking “or” before “the alien was in a marriage that ended in divorce” in clause (ii); and

(5) by striking the period at the end of clause (ii) and inserting a semicolon.

(d) TREATMENT OF FAMILY MEMBERS.—

(1) IN GENERAL.—A spouse or child (as defined in subparagraph (A), (B), (C), (D), (E), or (F) of section 101(b)(1)(I)) shall, if not otherwise entitled to immigrant status and the immediate issuance of a visa under this subsection, be entitled to immigrant status and the same order of consideration provided in the respective subsection, if accompanying or following to join, the spouse or parent.

(2) CONTINUOUS CLASSIFICATION OF CERTAIN ALIENS AS CHILDREN.—An unmarried alien 21 years of age or older on whose behalf a petition was filed under section 204 to classify the alien as a child of a citizen of the United States for purposes of clause (i), and the petition was filed under section 204 to classify the alien as a child of a citizen of the United States for purposes of clause (i), and the petition was filed under section 204 to classify the alien as an immediate relative under that clause, if the alien attained 21 years of age after the date on which the petition was filed and while the petition is pending before the Attorney General.

(3) CONTINUOUS CLASSIFICATION OF CERTAIN ALIENS AS CHILDREN FOR ASYLUM ELIGIBILITY.—A unmarried alien who is accompanying or seeking to join a parent granted asylum under this subsection, who is seeking to be granted asylum under this paragraph, and who was under 21 years of age on the date on which the petition was filed, shall be classified as a child for purposes of adjustment to status, and the alien shall be considered a petition for classification for such purposes, if the alien attained 21 years of age after the date on which the petition was filed but while the petition is pending before the Attorney General.

(4) CONTINUOUS CLASSIFICATION OF CERTAIN ALIENS AS CHILDREN FOR IMMEDIATE RELATIVE ELIGIBILITY.—An unmarried alien under section 204 to classify the alien as a child of a citizen of the United States for purposes of clause (i), and the petition shall be classified as a child for purposes of adjustment to status, and the alien shall be considered a petition for classification under that clause, if the petitioning parent became a naturalized citizen of the United States after the petition was filed but while the petition is pending before the Attorney General.

By Mr. HAGEL (for himself, Mr. BIDEN, and Mr. LUGAR):

S. 673. A bill to establish within the executive branch of the Government an interagency committee to review and coordinate United States nonproliferation efforts in the independent states of the former Soviet Union; to the Committee on Government Affairs.

Mr. HAGEL. Mr. President, today I am introducing a bill that coordinates our efforts in the former Soviet Union. The world is a much safer place because of these efforts. I commend my friend and co-sponsor, Senator LUGAR, for the important contribution he has made to the national security of this nation.

In the past ten years the Nunn-Lugar initiative has grown into a multi-billion dollar effort that brings together Defense Department funds to assist with the safe and secure transportation, storage, and dismantlement of nuclear, chemical and other weapons in the former Soviet Union. The world is safer because of the U.S. government efforts in Russia. This private spending, technology, and weapons-related knowledge in Russia and the Newly Independent States will remain beyond the reach of terrorist and weapons-proliferating states. The Nunn-Lugar initiative has yielded an impressive return. Over the past decade, important gains have been made in securing weapons, technology and knowledge in the former Soviet Union; to the national security of this nation demands that we address this issue. We must coordinate U.S. government non-proliferation efforts in Russia to ensure that our overall spending on these efforts is both efficient and maximized to further the national security interests of the United States.

Ensuring the efficiency of our public spending also requires that we take into account the increased spending and investment by the United States private sector on non-proliferation efforts in Russia. The advancement of our own national security depends on the coordination of spending, both public and private, on U.S. non-proliferation efforts in Russia. I am pleased to be joining in introducing this bill by my colleagues Senators BIDEN and LUGAR. In 1991, the world faced the very real prospect of nuclear chaos erupting from the disintegration of the Soviet Union. Largely through the foresight and leadership of Senators Nunn and Lugar, Congress established a fledging program that year authorizing the use of Defense Department funds to assist with the safe and secure transportation, storage, and dismantlement of nuclear, chemical and other weapons in the former Soviet Union. The world is a much safer place because of these efforts. I commend my friend and co-sponsor, Senator Lugar, for the important contribution he has made to the national security of this nation.

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Russian non-proliferation programs is not in conflict with this important contribution from the U.S. private sector.

The Non-Proliferation Assistance Coordination Act of 2001 calls on the President to establish an interagency committee that will monitor and coordinate the implementation of United States non-proliferation efforts in Russia. Under the direction of the President’s National Security Assistant, representatives from the Departments of State, Defense, Energy and Commerce would provide guidance on coordinating, de-conflicting and maximizing the utility of United States public spending on our important non-proliferation efforts in Russia, I believe U.S. non-proliferation efforts in Russia, first initiated a decade ago under the leadership of Senators LUGAR and Nunn, have made lasting contributions to the national security of the United States. This bill will ensure that future non-proliferation assistance to Russia is well spent.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 673

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLES.

This Act may be cited as the “Non-Proliferation Assistance Coordination Act of 2001”.

SEC. 2. FINDINGS.

Congress finds that—

(1) United States nonproliferation efforts in the independent states of the former Soviet Union have achieved important results in ensuring that weapons of mass destruction, weapons-useable material and technology, and weapons-related knowledge remain beyond the reach of terrorists and weapons proliferating states;

(2) although these efforts are in the United States national security interest, the effectiveness of these efforts suffers from a lack of coordination within and among United States Government agencies;

(3) increased spending and investment by the United States private sector on nonproliferation efforts in the independent states of the former Soviet Union, specifically, spending and investment by the United States private sector in job creation initiatives and economic assistance for unemployed Russian weapons scientists and technicians, is making an important contribution in ensuring that knowledge related to weapons of mass destruction remains beyond the reach of terrorists and weapons proliferating states; and

(4) increased spending and investment by the United States private sector on nonproliferation efforts in the independent states of the former Soviet Union requires the establishment of a coordinating body to ensure that United States public and private efforts are not in conflict, and to ensure that public spending on efforts by the independent states of the former Soviet Union is maximized to ensure efficiency and further United States national security interests.

SEC. 3. INDEPENDENT STATES OF THE FORMER SOVIET UNION DEFINED.

In this Act, the term “independent states of the former Soviet Union” has the meaning given the term in section 3 of the FREEDOM Support Act (22 U.S.C. 5801).

SEC. 4. ESTABLISHMENT OF COMMITTEE ON NON-PROLIFERATION ASSISTANCE TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

(a) ESTABLISHMENT.—There is established within the Government an interagency committee known as the “Committee on Nonproliferation Assistance to the Independent States of the Former Soviet Union” (in this Act referred to as the “Committee”).

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Committee shall be composed of—

(A) a representative of the Department of State designated by the Secretary of State;

(B) a representative of the Department of Commerce designated by the Secretary of Commerce;

(C) a representative of the Department of Defense designated by the Secretary of Defense;

(D) a representative of the Department of Energy designated by the Secretary of Energy;

(E) a representative of the Department of Commerce designated by the Secretary of Commerce.

(c) DUTIES.

The Committee shall—

(1) coordinate the implementation of United States nonproliferation efforts in the independent states of the former Soviet Union to ensure efficiency and further United States national security interests;

(2) provide guidance and arrangements that will coordinate, de-conflict, and maximize the utility of United States public spending on nonproliferation programs of the independent states of the former Soviet Union to ensure efficiency and further United States national security interests; and

(3) consider, and make recommendations to the President and Congress with respect to, proposals for new legislation or regulation, and the review of those nonproliferation efforts in the independent states of the former Soviet Union as may be necessary.

SEC. 5. DUTIES OF COMMITTEE.

(a) IN GENERAL.—The Committee shall have primary continuing responsibility within the executive branch of the Government for—

(1) monitoring United States nonproliferation efforts in the independent states of the former Soviet Union; and

(2) coordinating the implementation of United States policy with respect to such efforts.

(b) DUTIES SPECIFIED.—In carrying out the responsibilities described in subsection (a), the Committee shall—

(1) arrange for the preparation of analyses on the issues and problems relating to coordination within and among United States departments and agencies on nonproliferation efforts of the independent states of the former Soviet Union;

(2) arrange for the preparation of analyses on the issues and problems relating to coordination between the United States and other countries with respect to nonproliferation efforts in the independent states of the former Soviet Union relating to the coordination between the United States and other countries with respect to nonproliferation efforts in the independent states of the former Soviet Union;

(3) provide guidance on arrangements that will coordinate, de-conflict, and maximize the utility of United States public spending on nonproliferation programs of the independent states of the former Soviet Union to ensure efficiency and further United States national security interests;

(4) encourage companies and nongovernmental organizations involved in nonproliferation efforts of the independent states of the former Soviet Union to voluntarily report these efforts to the Committee;

(5)(A) arrange for the preparation of analyses on the issues and problems relating to the coordination between the United States and other countries with respect to nonproliferation efforts in the independent states of the former Soviet Union relating to the coordination between the United States and other countries with respect to nonproliferation efforts in the independent states of the former Soviet Union;

(B) provide guidance and arrangements that will coordinate, de-conflict, and maximize the utility of United States public spending on nonproliferation programs of the independent states of the former Soviet Union to ensure efficiency and further United States national security interests;

(c) ARRANGEMENTS.—The Committee shall make recommendations to United States Federal departments and agencies on nonproliferation efforts of the independent states of the former Soviet Union to ensure efficiency and further United States national security interests.

SEC. 6. ADMINISTRATIVE SUPPORT.

All United States departments and agencies shall provide, to the extent permitted by law, such information and assistance as may be requested by the Committee or the Secretary of State, the Secretary of Defense, or the Secretary of Energy relating to the functions and activities under this Act.

SEC. 7. CONFIDENTIALITY OF INFORMATION.

Information which has been submitted or received in confidence shall not be publicly disclosed except as provided by law, and such information shall be used by the Committee only for the purpose of carrying out the functions and activities set forth in this Act.

SEC. 8. STATUTORY CONSTRUCTION.

Nothing in this Act—

(1) applies to the data-gathering, regulatory, enforcement authority of any existing United States Federal department or agency over nonproliferation efforts in the independent states of the former Soviet Union, or the coordination of United States activities or the exercise of authority over nonproliferation efforts in the independent states of the former Soviet Union, or the coordination of United States activities or the exercise of authority over nonproliferation efforts in the independent states of the former Soviet Union, or

(2) applies to any activity that is reportable pursuant to title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.).

By Ms. COLLINS (for herself and Ms. LANDRIEU):

S. 674. A bill to amend the Internal Revenue Code of 1986 to provide new tax incentives to make health insurance more affordable for small businesses, and for other purposes; to the Committee on Finance.

Ms. COLLINS. Mr. President, I am pleased to join with my colleague from Louisiana, Senator LANDRIEU, in introducing bipartisan legislation, the Access to Affordable Health Care Act, that is designed to make health insurance more affordable both for individuals and for small businesses that provide health care coverage for their employees.

In the past few years, Congress has taken some major steps to expand access to affordable health insurance for all Americans. One of the first bills I sponsored on coming to the Senate was legislation to establish the State Children’s Health Insurance Program, which has since become an essential part of the Balanced Budget Act. States have enthusiastically responded to this program, which now provides affordable health insurance coverage to over two million
children nationwide, including nearly 10,000 in Maine’s expanded Medicaid and CubCare programs.

Thanks to these efforts, coupled with an increase in employer coverage fueled by our strong economy, we are making real progress. For the first time in twelve years, the number of Americans without health insurance actually dropped from about 44 million to 42.6 million. While this is good news, it by no means minimizes the problem. There are still far too many Americans without health insurance. Clearly, the smaller the business, the less likely it is to offer health insurance to its employees. By way of contrast, employees offer health insurance to small businesses with fewer than 50 employees.

Since most Americans get their health insurance through the workplace, it is a common assumption that people without health insurance are unemployed. The fact is, however, that most uninsured Americans are members of families with at least one full-time worker: 85 percent of the Americans who do not have health insurance are in a family with a worker.

Uninsured, working Americans are most often employees of small businesses, the backbone of the economy in Maine. Some 60 percent of uninsured workers are employed by small firms. If we look at the number of uninsured Americans, we need to consider how we can help more small businesses afford health insurance for their employees.

According to a recent National Federation of Independent Businesses survey, the cost of health insurance is the number one problem facing small businesses. And it has been since 1986. It is time for us to listen and to lend a hand to these small businesses.

Small employers generally face higher costs for health insurance than larger firms, which makes them less likely to offer coverage. Premiums are generally higher for small businesses because they do not have as much purchasing power. Large employers are much more able to bargain for lower rates. They also have higher administrative costs because they have fewer employees among whom to spread the fixed costs of a health benefits plan. Moreover, they are not as able to spread risks of medical claims over as many employees as can large firms.

As a consequence, only 42 percent of small businesses with fewer than 50 employees offer health insurance to their workers, compared to 79 percent of businesses with more than 100 employees.

Moreover, the smaller the business, the less likely it is to offer health insurance to its employees. Small businesses want to provide health insurance for their employees, but the cost is often too high.

Simply put, the biggest obstacle to health care coverage in the United States today is cost. While American employers of every size—from giant multinational corporations to the small corner store—are facing huge hikes in their health insurance costs, these rising costs are particularly problematic for small businesses and their employees. Many small employers are facing premium increases of 15 to 30 percent or more. This can cause them either to drop their health benefits or to pass the additional costs on to their employees. Some businesses cut the amount of health care benefits they offer, such as higher copays or premium hikes. This, too, is troubling and will likely add to the ranks of the uninsured since it will cause some employees, particularly lower-wage workers who are disproportionately burdened by rising costs, to drop or turn down coverage when it is offered to them.

According to another survey of small businesses, two-thirds of small business owners said that they would seriously consider offering health benefits if they were provided with some assistance with premiums. Almost one-half would consider doing so if their costs fell 10 percent.

To respond to these findings, we are introducing the Access to Affordable Health Care Act, which will help small employers cope with these rising costs. Our bill will provide new tax credits for small businesses to help make health insurance more affordable. It will enable employers that do not currently offer health insurance to do so and will help businesses that currently do offer insurance to continue coverage even in the face of rising costs.

Under our proposal, employers with fewer than ten employees will receive a tax credit of 50 percent of the employer contribution to the cost of employee health insurance. Employers with ten to 25 employees will receive a 30 percent credit. Under the bill, the credit would be based on an employer’s yearly qualified health insurance expenses of up to $2,000 for individual coverage and $4,000 for family coverage.

The legislation we are introducing will make health insurance more affordable for individuals and families who must purchase health insurance on their own. The Access to Affordable Health Care Act will provide an above-the-line tax deduction for individuals who pay at least 50 percent of the cost of their own health and long-term care insurance. Regardless of whether an individual takes the standard deduction or itemizes, he or she will be provided relief by the new above-the-line deduction.

The bill also will allow self-employed Americans to deduct the full amount of their health care premiums. Some 25 million Americans are in families headed by a self-employed individual, of these, five million are uninsured. Establishing parity in the tax treatment of health insurance costs between the self-employed and those working for large businesses is not just a matter of equity. It will also help to reduce the number of uninsured, but working Americans. Those small businesses will make health insurance more affordable for the 82,000 people in Maine who are self-employed. They include our lobstermen, our hairdressers, our electricians, our plumbers, and the many owners of mom-and-pop stores that dot communities throughout the state.

The Access to Affordable Health Care Act, which has been endorsed by the National Federation of Independent Businesses, will help more small businesses afford health insurance for their employees, and it will also make coverage more affordable for working Americans who must purchase it on their own. I urge my colleagues to join us as co-sponsors of this important legislation.

By Mr. ENZI (for himself and Mr. THOMAS):

S. 675. A bill to ensure the orderly development of coal, coalbed methane, natural gas, and oil in “common areas” of the Powder River Basin, Wyoming and Montana, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. ENZI. Mr. President, I rise today to introduce the “Powder River Basin Resource Development Act of 2001.” This legislation will provide a procedure for the orderly and timely resolution of disputes between coal producers and gas operators in the Powder River Basin in north-central Wyoming and southern Montana. This legislation is cosponsored by my colleague from Wyoming, Senator THOMAS.

The Powder River Basin in Wyoming and southern Montana is one of the richest energy resource regions in the world. This area contains the largest coal reserves in the United States, providing nearly thirty percent of America’s total coal production. This region also contains rich reserves of oil and gas, including coalbed methane. Wyoming is the fifth largest producer of natural gas in the county and the sixth largest producer of crude oil. The Powder River Basin plays an ever-increasing role in the development of coalbed methane. As Wyoming continues to help meet the growing needs for natural gas in the Rocky Mountain region and the country as a whole, the Powder River Basin and the State of Wyoming as a whole provide many of the resources that heat our homes, fuel our cars, generate electricity for our computers, microwaves, and televisions. In short, there is very little that any one of us does in a day that is not affected by the resources of coal, oil, and natural gas.

The production of these natural resources represents a vital part of the economy of my home state of Wyoming. The coal and oil and gas industries employ more than 21,000 people in Wyoming. We in Wyoming educate our students, build our roads, and provide our citizens with many of their social services through property taxes, severance taxes, and mineral royalties collected from the development of these energy resources. Since Wyoming has no sales taxes on goods and services, it relies very heavily on revenues from the minerals extraction industries for our tax base.
Given the great importance both the coal and oil and gas industries have to Wyoming’s economy, the State of Wyoming and the federal government have tried to encourage concurrent development in areas where it is feasible and safe to do so. Unfortunately, this is not always possible. This legislation provides a procedure for the fair and expeditious resolution of conflicts between oil and gas producers and coal producers who have conflicting mineral interests on land in the Powder River Basin in Wyoming and southern Montana.

This legislation establishes a specific procedure to resolve conflicts between coal producers and oil and gas producers when their mineral development rights come into conflict because of overlapping leases. First, this proposal requires that once a potential conflict is identified, the affected parties must attempt to negotiate an agreement between themselves to resolve this conflict. Second, if the parties are unable to come to an agreement between themselves, either of the parties may file a petition for relief in a U.S. district court in the district in which the conflict exists. After receiving a petition, the court would determine whether an actual conflict exists. Fourth, if the court determines that a conflict does exist, the court would determine whether the public interest, as determined by the economic benefit of each mineral, is best served by suspension of the federal coal lease or suspension or termination of all or part of the oil and gas lease. Fifth, a panel of three experts would be assembled to determine the value of the mineral of lesser economic value. Each of the parties in conflict would appoint one of the three experts. The third expert would be chosen jointly from the two parties. Finally, after the panel issues its final valuation report, the court would enter an order setting the compensation that is due the developer who had to temporarily or permanently forgo his development rights. This compensation would be paid by the owner of the mineral of greater economic value. A credit against federal royalties would also be available for this compensation price for limited number of situations where neither the existence of the conflict nor compensation to the conflicting mineral owner was foreseen in the original federal lease bid.

The “Powder River Basin Resource Development Act of 2001” has several benefits over the present system. First, it provides a mechanism to negotiate an agreement among themselves before either one of them avails himself of the expedited resolution mechanism. No such requirement exists today. Second, it directs the Secretary of the Interior to encourage expedited resolution of federal mineral leases that (1) are leased pursuant to the federal Mineral Leasing Act; (2) exist in conflict areas; and (3) which may otherwise be lost or bypassed. As such, this legislation encourages full and expeditious development of federally leased resources in this narrow conflict area where it is economically feasible and safe to do so. Third and finally, this proposal provides a fair and expeditious procedure to resolve conflicts which cannot be resolved between the two parties themselves and it does so by ensuring that any mineral owner will be fully compensated for any suspension of his development rights. In turn, this proposal will prevent the serious economic hardship to thousands of families and the State treasury that could occur if mineral development is stalled for an indefinite amount of time due to protracted litigation under the current system.

This legislation is the result of over two years of work and represents the input of all the stakeholders: coalbed methane producers, deep oil and gas developers, industry, landowners, the State of Wyoming, and the Department of the Interior. It is nearly identical to legislation that was favorably reported out of the Senate Energy Committee last summer by a voice vote. By providing a fair, expeditious, cost-effective and certain method to resolve conflicts between mineral producers in one of the most bountiful energy regions in the world, the “Powder River Basin Resource Development Act of 2001” represents an important chapter in the continuing effort to develop a comprehensive national energy policy for the 21st century.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. ENSIGN, Mr. MURKOWSKI, Mr. TORRICELLI, Mr. SCHUMER, and Mr. BREAUX):
S. 676. A bill to amend the Internal Revenue Code of 1986 to extend permanently the subpart F exemption for active financing income; to the Committee on Finance.

Mr. HATCH. Mr. President, I rise today to co-introduce, along with Senators BAUCUS, ENSIGN, TORRICELLI, SCHUMER, MURKOWSKI, and BREAUX, to introduce legislation to permanently extend the exclusion from Subpart F for active financing income earned on business operations overseas. This legislation permits American financial services firms doing business abroad to continue to defer U.S. tax on their earnings from their foreign financial services operations overseas. The legislation permits American financial services firms doing business abroad to continue to defer U.S. tax on their earnings from their foreign financial services operations until such earnings are returned to the U.S. parent company.

The permanent extension of this provision is particularly important in today’s global marketplace. Over the last few years the financial services industry has seen technological and global changes that have changed the very nature of the way these corporations do business, both here and abroad. The U.S. financial industry is a worldwide leader and plays a pivotal role in maintaining confidence in the international financial marketplace. Unfortunately, we realize that our current tax laws adapt to the fast-paced and ever-changing business environment of today.

Let me outline exactly why this bill is needed. Regulated U.S. financial institutions with operations overseas need to retain earnings in foreign subsidiaries in order to meet ever-expanding capital requirements. Unfortunately, this tax provision that seeks to permanently extend is allowed to expire at the end of this year, as is scheduled under the current law, those earnings will be subject to current U.S. taxation. Obviously, current taxation makes it more costly for a growing number of foreign-based competitors to attract the capital necessary to meet those capital requirements, an impediment that is not in place for most foreign-based competitors.

Congress recognized this fact as long ago as the early 1960s, when the Kennedy Administration proposed the imposition of current taxation for all overseas income of U.S.-based corporations. Counsel for the Joint Committee on Taxation testified at that time that Congress could not constitutionally tax shareholders on deferred earnings of foreign subsidiaries except in cases where such tax was necessary to prevent the evasion or avoidance of tax. In cutting back the scope of the President’s proposal, the House Ways and Means Committee, in part, “to impose the U.S. tax currently on U.S. shareholders of American-owned businesses operating abroad would put such firms at a disadvantage with other firms located in the same areas not subject to U.S. tax.”

Forty years later, those words still ring true. The competition abroad for U.S. banks, for example, is no longer the Chases, Bankers Trusts, and Bank of America, the world. They are now Deutschebank, ABN Amro, HSBC, and Societe Generale. These foreign-based financial institutions are big players in the worldwide arena operating, usually, under home-country tax regimes that generally do not tax currently earned active financing income earned outside their home countries.

The bill we are introducing today would provide a consistent, equitable, and stable international tax regime for this important component of our economy. A permanent extension of this provision would provide American companies much-needed stability. Our current “on-again, off-again” habit of annual extension limits the ability of U.S.-based firms to compete fully in the worldwide marketplace and interferes with their decision making and long-term planning. The activities that give rise to this income are long-range in nature, not easily or inexpensively stopped and started on a year-to-year basis. Permanency is the only thing that makes sense when it comes to this kind of tax policy.

This legislation will give U.S.-based financial services companies consistency and stability. The permanent extension of this exclusion from Subpart F provides tax rules that will ensure that the U.S. financial services industry is on equal competitive footing with their foreign-based competitors.
and, just as importantly, provides tax treatment that is consistent with the tax treatment accorded most other U.S. companies.

The world has changed rapidly over the past few years. Like it or not, we live and compete in a global economy.

In many respects, our Tax Code is outdated and represents the world as it was in the 1960s or 1970s, or in some cases, even before. If we close our eyes to these facts, we risk losing our worldwide leadership. The legislation we are introducing today will not solve all of our tax problems, nor even all of the tax problems of U.S. companies trying to compete internationally. It will, however, solve one very important problem. And this would be a start from which we can build.

I urge my colleagues to support this important bill and ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 676

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) BANKING, FINANCING, OR SIMILAR BUSINESSES.—Section 954(h) of the Internal Revenue Code of 1986 (relating to special rule for income derived in the active conduct of banking, financing, or similar businesses) is amended by striking paragraph (9).

(b) INSURANCE BUSINESSES.—Section 953(e) of the Internal Revenue Code of 1986 (defining exempt insurance income) is amended by striking paragraph (10) and by redesignating paragraph (11) as paragraph (10).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of a foreign corporation beginning after December 31, 2001, and to taxable years of United States shareholders with or within which such taxable years of such foreign corporation begin.

Mr. BAUCUS. Mr. President, today I am pleased to join my colleague Senator HATCH in introducing legislation to permanently extend the exception from Subpart F for active financing income.

Current law contains a temporary provision, expiring at the end of this year, that makes sure that the active financial services income that a U.S. financial services company earns abroad is not subjected to U.S. tax until that income is distributed back to the company. Our legislation is intended to keep the U.S. financial services industry on an equal footing with foreign-based competitors by making this provision permanent.

The growing interdependence of world economies has highlighted the need to rationalize U.S. tax rules that undermine the ability of American financial services industries to compete in the international arena. At the same time, it is important to ensure that the U.S. tax treatment of worldwide income does not encourage avoidance of U.S. tax through the sheltering of income in foreign tax havens.

However, I believe it is possible to ade-

quately protect the federal fisc without jeopardizing the international expansion and competitiveness of U.S.-based financial services companies, including finance and credit entities, commercial banks, securities firms, and insurance companies.

The active financing provision is particularly important today. The U.S. financial services industry is second to none and plays a pivotal role in maintaining confidence in the international marketplace. Through our network of tax-exempt private activity bonds, we have made tremendous progress in gaining access to new foreign markets for this industry in recent years. Our tax laws should complement, rather than undermine, this effort.

As is the case with other tax provisions such as the research and development tax credit, the temporary nature of the U.S. active financing exception denies U.S. companies the certainty enjoyed by their foreign competitors. The economic viability of America's financial sector is impaired by the uncertainty under the current system created by continually extending the exception on a temporary basis. The activities that are affected by this provision are major and therefore those entering into these activities need to know the long-range tax consequences of their actions. A permanent extension of the active financing exception is needed to allow our financial services industry to compete internationally.

I ask my colleagues to join me in supporting this legislation, and provide a consistent, equitable, and stable international tax regime for the U.S. financial services industry.

By Mr. HATCH (for himself, Mr. BREAX, Mr. JEFFORDS, Mrs. SNOWE, Mrs. LINCOLN, and Mr. ALLARD):

S. 677. A bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financing to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes; to the Committee on Finance.

Mr. HATCH. Mr. President, I rise today to introduce the Housing Bond and Credit Modernization and Fairness Act of 2001. I am pleased in this effort by Senators BREAX, JEFFORDS, ALLARD, LINCOLN, and SNOWE. This legislation will bring about important adjustments in two of the most important and popular federal affordable housing programs that have been made in this effort by the Governors.

These programs are popular because they are state-administered, federal tax incentives to encourage private investment in first-time homebuyer mortgages for low and moderate-income families and privately developed and owned apartments for low-income renters. The changes proposed by this legislation were endorsed by the National Governors Association at its recent meeting. The Governors know how important the Housing Bond and Housing Tax Credit programs are in efforts to meet the housing needs of low and moderate-income families. The bill is supported by the National Council of State Housing Agencies.

Last year more than 80 members of this body cosponsored legislation that was included in last year's Community Renewal Tax Relief Act of 2000, which was signed into law by President Clinton. That legislation adjusted for past inflation in the operating levels of the Housing Tax Credit and MRB programs. Specifically, the Act increased the per capita low-income housing tax credit cap as well as the State-volume limits on tax-exempt private activity bonds, under which the MRB program falls. However, even with these long overdue changes, many who are qualified to receive housing assistance under these programs cannot get it. The reason is that a few obsolete provisions in the programs stand in the way.

The legislation we are introducing today will modernize these programs and remove these barriers. Specifically, the bill includes three changes.

First, the bill would repeal the so-called Ten-Year Rule. This rule, which was enacted in 1991, limits the time from using mortgage payments received ten years after the original Mortgage Revenue Bond was issued to make new mortgage loans to additional qualified purchasers. A recent report by Merrill Lynch states, "The Ten-Year Rule, to a large extent, offsets gains from the volume cap increase." Between 1998 and 2002, this rule will result in the loss of over $3.5 billion in mortgage authority, denying over 100,000 qualified low-income homebuyers affordable MRB-financed mortgages.

Each year, the Ten-Year Rule will keep tens of thousands of additional qualified lower income homebuyers from getting an affordable MRB-financed mortgage, including many in my home State of Utah.

Second, the bill would replace the current-law unworkable limit on the price of the homes these MRB mortgages can finance with a simple limit that works. Letting current law limits the price of homes purchased with MRB-financed mortgages to 90 percent of the average area home price. States have the option of determining their own purchase price limits on newly-financed safe harbor limits. Most states rely on the Treasury limits because it is costly, burdensome, and often impossible to collect accurate and comprehensive sales price data.

The problem is that, like many states, the Treasury Department does not have access to reliable and comprehensive sales price data. This has
especially been a problem for states, such as Utah, with many rural areas. In fact, Treasury last issued safe harbor limits in 1993, based on 1993 data. Home prices have risen approximately 30 percent in the past eight years, and in some areas of this country by much higher percentages. This means that the MRB program simply cannot work in many parts of many states because qualified buyers cannot find homes priced below the outdated limits. To have an outdated and unworkable requirement back the States is not consistent with the fact that this program is designed to help poor public policy that cries out for remedy.

The bill we are introducing today would allow States to determine purchase price limits without reliance on nonexistent sales price data. It does this by limiting the purchase price to three and a half times the MRB qualifying income limit. In the 106th Congress, I joined my friend and colleague from Texas, Senator LINCOLN, in introducing this provision as a stand-alone bill.

Finally, the bill would make Housing Tax Credit apartment production more viable in many very low income, and especially rural areas by allowing the use of the greater of area or statewide median incomes for determining qualifying income and rent limits. This is how income and rent levels are determined under the very successful multi-family and single-family programs. Current law requires States to use area median income to determine eligible incomes of Housing Tax Credit tenants. In many very low income areas, median incomes are simply too low to generate sufficient rents to make these housing projects possible. Data from HUD show that current income limits inhibit Housing Tax Credit development in as many as 1,700 of the 2,364 non-metropolitan counties across the country.

The Housing Tax Credit and the MRB programs work and they are important to each State. The Congress recognized this last year by making the important adjustments in the operating levels of these programs to compensate for past inflation. More than 80 senators joined us in this effort by cosponsoring the legislation. This was a vital first step in improving the ability of these programs to meet the affordable housing needs of millions of Americans. Now, we must finish the job by correcting the problems in the programs that limit their effectiveness in delivering this affordable housing. For those of you that cosponsored these bills last year, and those of our colleagues who are new to the Senate, I am asking you to join this bipartisan effort of Senators from both rural and urban States to see that these important provisions are enacted this year.

I ask unanimous consent that the text of the bill be printed in the RECORD, as follows:

S. 677
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the “Housing Bond and Credit Modernization and Fairness Act of 2001”.

SEC. 2. REPEAL OF REQUIRED USE OF CERTAIN PRINCIPAL REPAYMENTS ON MORTGAGE SUBSIDY BOND FINANCINGS TO REDEEM BONDS.
(a) In General—United States Code (A) of section 143(a)(2) of the Internal Revenue Code of 1986 (defining qualified mortgage issue) is amended by adding “and” at the end of clause (d) by striking “(and)” at the end of clause (ii) and inserting a period, and by striking clause (iv) and the last sentence.
(b) Conforming Amendment—Clause (ii) of section 149(b)(2) of such Code is amended by striking “(and clause (iv) of subparagraph (A))”.
(c) Effective Date.—The amendments made by this section shall apply to repayments received after the date of the enactment of this Act.

SEC. 3. MODIFICATION OF PURCHASE PRICE LIMITATION UNDER MORTGAGE SUBSIDY BOND RULES BASED ON MEDIAN INCOME.
(a) In General.—Paragraph (1) of section 143(e) of the Internal Revenue Code of 1986 (relating to purchase price requirement) is amended to read as follows:

(1) In General.—An issue meets the requirements of this subsection only if the acquisition cost of each residence the owner-finance of which is provided under the issue does not exceed the greater of—

(a) 90 percent of the average area purchase price applicable to the residence, or

(b) 3.5 times the applicable median family income (as defined in subsection (f)).

(b) Effective Date.—The amendment made by this section shall apply to financing of which is provided under an issue, after the date of the enactment of this Act.

SEC. 4. DETERMINATION OF AREA MEDIAN GROSS INCOME FOR LOW-INCOME HOUSING PROJECTS.
(a) In General.—Paragraph (4) of section 42(g) of the Internal Revenue Code of 1986 (relating to certain rules made applicable) is amended by striking the period at the end of subsection (A) and inserting “—

(1) housing credit dollar amounts allocated after the date of the enactment of this Act, and

(2) buildings placed in service after such date to the extent paragraph (1) of section 42(h) of the Internal Revenue Code of 1986 does not apply to any building by reason of paragraph (4) thereof.

AMENDMENTS SUBMITTED AND PROPOSED
SA 170. Mr. DOMENICI proposed an amendment to the concurrent resolution H. Con. Res. 83, establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

SA 171. Mr. DOMENICI (for Mr. MCCAIN) proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform.

TEXT OF AMENDMENTS
SA 170. Mr. DOMENICI proposed an amendment to the concurrent resolution H. Con. Res. 83, establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows: Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002.
(a) Declaration.—Congress determines and declares that the concurrent resolution on the budget for fiscal year 2001 is revised and replaced and that this resolution is the concurrent resolution on the budget for fiscal year 2002 including the appropriate budgetary levels for fiscal years 2003 through 2011 as authorized by section 301 of the Congressional Budget Act of 1974 (2 U.S.C. 632).

(b) Table of Contents.—The table of contents for this concurrent resolution is as follows: Sec. 1. Concurrent resolution on the budget for fiscal year 2002. TITLE I—RECOMMENDED LEVELS AND AMOUNTS. Sec. 1. Concurrent resolution on the budget for fiscal year 2002. TITLES II—BUDGET ENFORCEMENT AND RULEMAKING.

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.
The following budgetary levels are appropriate for the fiscal years 2001 through 2011:

FISCAL YEARS 1999 TO 2001

TITLES I—RECOMMENDED LEVELS AND AMOUNTS
SEC. 101. RECOMMENDED LEVELS AND AMOUNTS
The following budgetary levels are appropriate for fiscal years 2001 through 2011:

(C) The recommended levels of Federal revenues are as follows:

FISCAL YEARS 2001 TO 2008

FISCAL YEAR 2001: $2,246,021,000,000.

FISCAL YEAR 2002: $2,246,021,000,000.

FISCAL YEAR 2003: $2,246,021,000,000.

FISCAL YEAR 2004: $2,246,021,000,000.

FISCAL YEAR 2005: $2,246,021,000,000.

FISCAL YEAR 2006: $2,246,021,000,000.

FISCAL YEAR 2007: $2,246,021,000,000.

FISCAL YEAR 2008: $2,246,021,000,000.

FISCAL YEAR 2009: $2,246,021,000,000.

FISCAL YEAR 2010: $2,246,021,000,000.

FISCAL YEAR 2011: $2,246,021,000,000.

The amounts by which the aggregate levels of Federal revenues should be reduced are as follows:

FISCAL YEARS 2001 TO 2008

FISCAL YEAR 2001: $127,000,000.

FISCAL YEAR 2002: $127,000,000.

FISCAL YEAR 2003: $127,000,000.

FISCAL YEAR 2004: $127,000,000.

FISCAL YEAR 2005: $127,000,000.

FISCAL YEAR 2006: $127,000,000.

FISCAL YEAR 2007: $127,000,000.

FISCAL YEAR 2008: $127,000,000.

FISCAL YEAR 2009: $127,000,000.

FISCAL YEAR 2010: $127,000,000.
Federal Old-Age and Survivors Insurance

For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2001: $1,618,406,000,000.  
Fiscal year 2002: $1,524,818,000,000.  
Fiscal year 2003: $1,660,297,000,000.  
Fiscal year 2004: $1,788,174,000,000.  
Fiscal year 2005: $1,794,111,000,000.  
Fiscal year 2006: $1,842,068,000,000.  
Fiscal year 2007: $1,912,499,000,000.  
Fiscal year 2008: $1,990,029,000,000.  
Fiscal year 2009: $2,072,024,000,000.  
Fiscal year 2010: $2,156,650,000,000.  
Fiscal year 2011: $2,248,188,000,000.  

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 2001: $1,570,024,000,000.  
Fiscal year 2002: $1,468,430,000,000.  
Fiscal year 2003: $1,528,792,000,000.  
Fiscal year 2004: $1,684,613,000,000.  
Fiscal year 2005: $1,764,112,000,000.  
Fiscal year 2006: $1,807,539,000,000.  
Fiscal year 2007: $1,874,362,000,000.  
Fiscal year 2008: $1,957,154,000,000.  
Fiscal year 2009: $2,036,559,000,000.  
Fiscal year 2010: $2,121,936,000,000.  
Fiscal year 2011: $2,211,676,000,000.  

(4) For purposes of the enforcement of this resolution, the amounts of the surpluses are as follows:

Fiscal year 2001: $69,286,000,000.  
Fiscal year 2002: $265,789,000,000.  
Fiscal year 2003: $87,225,000,000.  
Fiscal year 2004: $90,822,000,000.  
Fiscal year 2005: $34,081,000,000.  
Fiscal year 2006: $65,100,000,000.  
Fiscal year 2007: $68,872,000,000.  
Fiscal year 2008: $77,342,000,000.  
Fiscal year 2009: $102,438,000,000.  
Fiscal year 2010: $124,985,000,000.  
Fiscal year 2011: $165,492,000,000.  

(5) PUBLIC DEBT.—The appropriate levels of the public debt held by the public are as follows:

Fiscal year 2001: $5,630,366,000,000.  
Fiscal year 2002: $5,529,082,000,000.  
Fiscal year 2003: $5,558,165,000,000.  
Fiscal year 2004: $5,594,255,000,000.  
Fiscal year 2005: $5,654,694,000,000.  
Fiscal year 2006: $5,707,561,000,000.  
Fiscal year 2007: $5,750,956,000,000.  
Fiscal year 2008: $5,784,424,000,000.  
Fiscal year 2009: $5,988,043,000,000.  
Fiscal year 2010: $6,314,298,000,000.  
Fiscal year 2011: $6,720,541,000,000.  

(6) For purposes of the Senate enforcement under section 311 of the Congressional Budget Act of 1974 (2 U.S.C. 642), the amounts of new budget authority and new primary loan guarantee commitments for fiscal years 2002 through 2011 for each major functional category are:

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 2002 through 2011 for each major functional category are:

SEC. 102. MAJOR FUNCTIONAL CATEGORIES.

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SEC. 102. MAJOR FUNCTIONAL CATEGORIES.
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>New Budget Authority</th>
<th>Outlays</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2001</strong></td>
<td>$871,000,000</td>
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<td><strong>2002</strong></td>
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<td><strong>2050</strong></td>
<td>$11,243,000,000</td>
<td>$11,444,000,000</td>
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</tbody>
</table>
(A) New budget authority, $36,131,000,000.
(B) Outlays, $16,263,000,000.
Fiscal Year 2005:
(A) New budget authority, $16,313,000,000.
(B) Outlays, $16,263,000,000.
Fiscal Year 2004:
(A) New budget authority, $16,680,000,000.
(B) Outlays, $16,627,000,000.
Fiscal Year 2003:
(A) New budget authority, $17,035,000,000.
(B) Outlays, $16,726,000,000.
Fiscal Year 2002:
(A) New budget authority, $17,492,000,000.
(B) Outlays, $17,100,000,000.
Fiscal Year 2001:
(A) New budget authority, $17,921,000,000.
(B) Outlays, $17,504,000,000.
Fiscal Year 2000:
(A) New budget authority, $17,981,000,000.
(B) Outlays, $17,691,000,000.
Fiscal Year 1999:
(A) New budget authority, $18,426,000,000.
(B) Outlays, $17,955,000,000.
Fiscal Year 1998:
(A) New budget authority, $18,706,000,000.
(B) Outlays, $18,985,000,000.
Fiscal Year 1997:
(A) New budget authority, $19,430,000,000.
(B) Outlays, $19,151,000,000.
(18) Net Interest (900):
Fiscal Year 2001:
(A) New budget authority, $274,862,000,000.
(B) Outlays, $274,862,000,000.
Fiscal Year 2002:
(A) New budget authority, $256,490,000,000.
(B) Outlays, $256,362,000,000.
Fiscal Year 2003:
(A) New budget authority, $248,016,000,000.
(B) Outlays, $248,016,000,000.
Fiscal Year 2004:
(A) New budget authority, $242,024,000,000.
(B) Outlays, $242,024,000,000.
Fiscal Year 2005:
(A) New budget authority, $234,747,000,000.
(B) Outlays, $234,747,000,000.
Fiscal Year 2006:
(A) New budget authority, $230,531,000,000.
(B) Outlays, $230,531,000,000.
Fiscal Year 2007:
(A) New budget authority, $227,364,000,000.
(B) Outlays, $227,364,000,000.
Fiscal Year 2008:
(A) New budget authority, $223,538,000,000.
(B) Outlays, $223,538,000,000.
Fiscal Year 2009:
(A) New budget authority, $219,053,000,000.
(B) Outlays, $219,053,000,000.
Fiscal Year 2010:
(A) New budget authority, $213,625,000,000.
(B) Outlays, $213,625,000,000.
Fiscal Year 2011:
(A) New budget authority, $207,978,000,000.
(B) Outlays, $207,978,000,000.
(19) Allowance (920):
Fiscal Year 2001:
(A) New budget authority, $59,528,000,000.
(B) Outlays, $59,679,000,000.
Fiscal Year 2002:
(A) New budget authority, $61,011,000,000.
(B) Outlays, $61,011,000,000.
The chairperson may make any other necessary adjustments to such levels to carry out this resolution.

SEC. 205. EXERCISE OF RULEMAKING POWERS.

Congress adopts the provisions of this title:

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively; and as such they shall be considered as part of the rules of the House, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules so far as they may relate at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SA 171. Mr. DOMENICI (for Mr. Mccain) proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; as follows:

On page 3, before line 1, strike the item relating to section 504 and redesignate the item relating to section 505 as relating to section 504.

On page 4, line 5, insert "(A)" before "Except."

On page 4, line 19, insert "(B)" before "Nothing."

On page 4, beginning in line 19, strike "a principal" and insert "the authorized."

On page 5, line 7, strike "costs of" and insert "expenditures or disbursements for."

On page 5, line 9, strike "costs" and insert "expenses or disbursements."

On page 5, line 17, strike "costs" and insert "expenditures or disbursements."

On page 6, line 1, strike "costs" and insert "expenses or disbursements."

On page 6, line 18, insert opening quotation marks before "(i)".

On page 8, line 12, strike "another" and insert "A."

On page 9, beginning with line 23, strike through line 5 on page 10.

On page 10, line 6, strike "(v)" and insert "(iv)."

On page 10, between lines 6 and 7, insert the following:

"(B) ALTERNATE DEFINITION IF SUBPARA-

GRAPH (A)(II) HELD UNCONSTITUTIONAL.—If clause (ii) of subparagraph (A) is held to be unconstitutional in a final decision by a court of competent jurisdiction, then in lieu of the provisions of that clause, subparagraph (A) shall be applied as if it contained a clause (iii) that read 'a broadcast, cable, or satellite communication that—

(I) promotes or supports a candidate or the Federal office, or attacks or opposes a can-

didate for Federal office, without regard to whether the communication advocates a vote for or against a candidate; and

(II) is suggestive of no plausible meaning other than an exhortation to vote for or against a specific candidate."

On page 10, line 13, strike "(B)" and insert "(C)."

On page 12, beginning in line 4, strike "within any 30-day period."

On page 13, line 6, strike "nature."

On page 13, line 22, insert "(A)" after "323(b)(1)."

On page 13, line 24, strike "301(20)(A.)" and insert "301(20)(A), other than activities de-
scribed in section 323(b)(1)."

On page 14, line 11, strike "(a)" and insert "(a)(4)."
On page 14, line 17, strike “(xiv)” and insert “(xv)".

On page 14, line 18, strike “(xiii)” and insert “(xiv)".

On page 15, line 8, strike “434)” and insert “434), as amended by section 103."

On page 15, line 10, strike “(d)” and insert “(t)”.

On page 16, line 24, strike “section” and insert “subparagraph”.

On page 18, line 4, strike “subclause” and insert “clause”.

On page 18, line 16, strike “Further, nothing” and insert “Nothing”.

On page 20, line 13, strike “304(d)(3);” and insert “304(f)(3);”.

On page 20, strike lines 22 and 23 and insert “by the electioneering communication or that candidate’s party and as an expenditure by that candidate or that candidate’s party” and “and”.

On page 21, line 17, strike “304(d)(3) and insert “304(f)(3)“.

On page 22, line 1, strike “304(d)(2)” and insert “304(f)(2)”.

On page 22, line 3, strike “individuals.” and insert “individuals who are United States citizens or lawfully admitted for permanent residence as defined in section 1101(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(2)."


On page 24, line 8, strike “from carrying” and insert “to carry”.

On page 24, line 25, strike “304(d)(3)” and insert “304(f)(3)“.

On page 26, line 9, strike “(e)” and insert “(g)”.

On page 26, beginning in line 18, strike “hours after that amount of independent expenditures has been made.” and insert “hours”.

On page 27, beginning in line 10, strike “hours after that amount of independent expenditures has been made.” and insert “hours”.

On page 30, line 23, strike “a Federal” and insert “an”.

On page 32, line 7, strike “legislation,” and insert “Act,”.

On page 33, line 7, strike “regulation,” and insert “Act,”.

On page 33, line 23, strike “amount” and insert “donation”. ;

On page 34, line 3, after “for” insert “otherwise authorized”.

On page 34, line 15, strike “amount” and insert “donation”.

On page 34, line 19, strike “amount” and insert “donation”.

On page 36, line 7, after “solicit” insert “or received”.

On page 37, line 4, after “a” insert “contribution or”.

On page 37, line 6, after “a” insert “contribution or”.

On page 39, strike lines 18 through 20, and insert the following:

but not over 10 times that amount—

“(I) the increased limit shall be 6 times the applicable limit; and

“(II) the limit under subsection (a)(3) shall not apply with respect to any contribution made in respect to a candidate if such contribution is made under the increased limit of subparagraph (A) during a period in which the candidate may accept such a contribution; and

On page 41, beginning in line 5, strike “contribution” and insert “contribution, and a party committee shall not make an expenditure;”.

On page 41, line 14, after “accepted” insert “and party expenditures previously made”.

On page 41, line 19, after “candidate” insert “and a candidate’s authorized committee”.

On page 41, line 20, after “contribution” insert “and a party shall not make an expenditure”.

On page 42, lines 14 through 25, redesignate subparagraph (C) as subsection (i) and adjust margins accordingly.

On page 42, lines 15 and 16, strike “With respect to loans incurred after the date of enactment of this Act any” and insert “Any”.

On page 44, line 15, strike “(ii)” and insert “(iii)”.

On page 48, line 3, after “or” insert “by”.

On page 48, line 4, strike “by” and insert “to”.

On page 48, line 21, strike “(i)-(g)” and insert “(e) and (f)”. (iii)

On page 51, line 23, insert “or (2)” after “(1)(A)”.

On page 52, line 14, insert “or (2)” after “(1)(A)”.

On page 55, line 17, strike “to be filed”. on

On page 57, line 18, insert a comma after “(b).”

On page 60, line 11, strike the closing quotation marks and the second period.

On page 60, between lines 11 and 12, insert the following:

“(iii) CONSIDERATION WITH OTHER PROVISIONS.—Clauses (i) and (ii) shall not apply if section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) does not apply with respect to an expenditure that is by a State or national committee of a political party by reason of section 315(c)(1)(C)(iii)(III) of that Act.”

On page 61, strike lines 1 through 5.

On page 62, line 15, strike “and 201” and insert “201, and 212”.

On page 62, line 17, strike “(g)” and insert “(h).”

On page 62, line 18, strike “Committee” and insert “Committee and”.

On page 66, line 4, strike “304(d)(3)” and insert “304(f)(3)”.

On page 68, strike lines 9 through 14.

On page 70, line 25, strike “Federal” and insert “Government”.

On page 73, line 1, strike “(1) In General.” and insert “(a) In General.”

On page 76, line 2, strike “This” and insert “Except as otherwise provided in this Act, this”. on

On page 80, beginning with line 13, strike through line 11 on page 81.

On page 81, line 12, strike “SEC. 505.” and insert “SEC. 504.”.

PRIVILEGE OF THE FLOOR

Mr. DOMENICI. Mr. President, I ask unanimous consent that the privilege of the floor be granted to Richard Greenough, a detaillee from the Department of Justice working with the staff of the Budget Committee during consideration of this resolution.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that Jenny Winkler and Cheri Reidy be granted the privilege of the floor, as well as Jim Horney and Sue Nelson from the other side.

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

ORDERS FOR TUESDAY, APRIL 3, 2001

Mr. DOMENICI. For the information of all Senators, the Senate will resume the budget resolution tomorrow morning. Amendments will be offered during tomorrow’s session. Therefore, votes are expected throughout the day and into the evening. Senators are reminded of the time constraints on debate under the Budget Act and encouraged to work with the managers if they intend to offer amendments.

ORDER OF PROCEDURE

Mr. DOMENICI. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

Mr. CONRAD. Mr. President, reserving the right to object, I would like to speak for 2½ minutes.

Mr. DOMENICI. Will the time be charged against the resolution, 2½ minutes?

The PRESIDING OFFICER. We are in morning business. The time will be charged against the 10-minute limit.

THE BUDGET

Mr. CONRAD. Mr. President, maybe we can have an exchange here so that we really understand the proposals on the two sides. The Senator asked the question, When we reserve $750, $800 billion to strengthen Social Security, where is that money going to go? The situation we face as a Nation is right here.
This is from the General Accounting Office. This is the long-term budget outlook for the United States. It shows that while we are enjoying surpluses now, even if we save all the Social Security trust fund money, the deficits for the country are going to mushroom when the baby boomers start to retire.

We have a very strange accounting system in the Federal Government. We don’t account for our long-term liabilities that are growing. In fact, there is a lot of talk about the publicly held debt, and the Senator said the President is paying down the publicly held debt. What he hasn’t talked about is the gross Federal debt. The gross Federal debt, during this period, is actually going to grow from $5.6 trillion today to nearly $7 trillion at the end of this period.

What I am saying is, we should do two things: We should make a maximum effort on paying down our publicly held debt, pay down more of it than the President proposes, but we also ought to reserve money to deal with this long-term problem that is confronting us, which we all know is there. There have been a series of proposals as to how to do that. One is to establish individual accounts. Senators on the other side, by and large, support that approach. They support privatization, which I don’t support, but they say that would be a way to go.

I just say to my colleague, if you are going to do that, you have to get the money from somewhere. If you are going to do other things to strengthen Social Security and address this long-term debt problem, you have to get the money from somewhere. Every proposal to reform Social Security that has been proposed—the Archer-Shaw proposal, former chairman of the Ways and Means Committee in the House; Senator Gramm’s proposal; the Aaron-Reischauer proposal, Kolbe-Stenholm proposal, the leaders in the House of Representatives; the Gregg-Breaux proposal, one of the key alternatives in the Senate; and the Clinton-Gore proposal of the last administration—every one of them requires money.

Our budget plan sets aside $750 billion for that purpose. Their plan sets aside nothing. That is a fundamental difference. That is not some plan that is out there in the ether. That is a plan that is necessary if we are going to begin to cope with our long-term debt bomb that is facing this country as a result of the baby boom generation.

We can either say the problem doesn’t exist and not do anything about it, which is what their budget plan proposes, or we can reserve resources now to begin to cope with our long-term imbalances that everyone knows is right beyond this 10-year period. I am saying let’s reserve money now to deal with this long-term debt crisis; in addition to aggressively paying down our publicly held debt, doing it more aggressively than they propose. I am also proposing dealing with our long-term debt, something for which they have not reserved a dime.

That is the reason for that part of the plan, and we will be happy to discuss this more tomorrow and say we look forward to additional debate in the morning.

Mr. DOMENICI. Mr. President, I have just been informed the pages would like us to spend a few more minutes. Somebody is blushing, but that is the truth. Something very nice happens to them in 5 minutes that won’t happen to them if we close up now.

Mr. CONRAD. Let’s not give up then.

Mr. DOMENICI. I want to speak for 2½ minutes of it and the Senator from North Dakota can speak for 2½ minutes of it, or we can have a quorum call. People have heard enough of us.

First, those listening, stay tuned tomorrow and we will tell you how President Clinton figured out that he could say he was saving Social Security but then had a long time to pay for it. Just think. You remember, he had a 15-year budget once. Tomorrow, we will tell you what he was up to when he did that. It is most interesting. He can spend more and still claim Social Security is being taken care of because he did it in 15-year intervals instead of 10.

That is all I am going to say. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate stand in adjournment.

There being no objection, the Senate, at 9 p.m., adjourned until Tuesday, April 3, 2001, at 9 a.m.
EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, called for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, April 3, 2001 may be found in the Daily Digest of today’s RECORD.

MEETINGS SCHEDULED

APRIL 4

9:30 a.m. Veterans' Affairs
To hold hearings on the nomination of Tim S. McClain, of California, to be General Counsel, Department of Veterans Affairs.
SR–418

Armed Services

9 a.m. SeaPower Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 2002 for the Department of Defense and the Future Years Defense Program, focusing on shipbuilding industrial base issues and initiatives.
SR–222

Health, Education, Labor, and Pensions

9:30 a.m. Indian Affairs
To hold hearings to examine the constitutionality of employment laws, focusing on states rights and federal remedies.
SD–430

Indian Affairs
Business meeting to consider pending calendar business.
SR–485

Commerce, Science, and Transportation

10 a.m. Consumer Affairs, Foreign Commerce, and Tourism Subcommittee
To hold hearings to examine specific measures that have been taken in the United States to prevent bovine spongiform encephalopathy (BSE) "Mad Cow Disease" and assess their adequacy.
SR–253

Finance

10 a.m. To hold hearings to examine certain issues with respect to international trade and the American economy.
SD–215

10 a.m. Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Veterans Affairs.
SD–124

10 a.m. Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Agriculture.
SD–138

APRIL 5

9 a.m. Environment and Public Works
Clean Air, Wetlands, Private Property, and Nuclear Safety Subcommittee
To hold hearings to examine the interaction between United States environmental regulations and energy policy.
SD–406

9:30 a.m. Indian Affairs
To hold oversight hearings to examine the goals and priorities of the United South and Eastern Tribes (USET) for the 107th Congress.
SR–485

10 a.m. Judiciary
To hold hearings on the nominations of Larry D. Thompson, of Georgia, to be Deputy Attorney General and Theodore B. Olson, of the District of Columbia, to be Solicitor General of the United States, both of the Department of Justice.

Governmental Affairs
To continue hearings on the state of the Presidential appointments process.
SD–342

Finance
To hold hearings to examine the impact of certain scams on taxpayers.
SD–215

APRIL 24

10 a.m. Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of the Interior.
SD–124

10 a.m. Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of the Interior.
SD–138

10 a.m. Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Agriculture, focusing on

10 a.m. Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Agriculture.
SD–138

1:30 p.m. Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Energy.
SD–124

APRIL 26

2 p.m. Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the National Nuclear Security Administration, Department of Energy.
SD–124

MAY 1

10 a.m. Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for certain Department of Energy programs relating to Energy Efficiency Renewable Energy, science, and nuclear issues.
SD–124

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Forest Service, Department of Agriculture.
SD–138

Judiciary
To hold hearings to examine the legal issues surrounding faith based solutions.
SD–226

MAY 2

10 a.m. Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Veterans Affairs.
SD–138

MAY 3

10 a.m. Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Agriculture, focusing on

● This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.
assistance to producers and the farm economy.

2 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for Department of Energy environmental management and the Office of Civilian Radioactive Waste Management.

MAY 8
10 a.m.
Judiciary
To hold hearings to examine high technology patents, relating to genetics and biotechnology.

SD–226
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Energy.

MAY 9
10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the National Aeronautics and Space Administration.

JUNE 6
10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the National Science Foundation and the Office of Science Technology Policy.

MAY 10
10 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Food and Drug Administration, Department of Health and Human Services.

SD–138
MAY 15
10 a.m.
Judiciary
To hold hearings to examine high technology patents, relating to business methods and the internet.

SD–226
MAY 16
10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Federal Emergency Management Agency.

SD–138
HIGHLIGHTS

Senate passed Campaign Finance Reform.
See Résumé of Congressional Activity.

Senate

Chamber Action

Routine Proceedings, pages S3233–S3287

Measures Introduced: Seven bills were introduced, as follows: S. 671–677.

Measures Reported:
- S. 149, to provide authority to control exports, with an amendment in the nature of a substitute. (S. Rept. No. 107–10)

Measures Passed:
- Campaign Finance Reform: By 59 yeas to 41 nays (Vote No. 64), Senate passed S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform, as amended.

Subsequently, Senate adopted Domenici (for McCain) Amendment No. 171, making certain minor, technical, and conforming changes in the bill.

Congressional Budget Resolution: Senate began consideration of H. Con. Res. 83, establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011, taking action on the following amendment proposed thereto:

Pending:
- Domenici Amendment No. 170, in the nature of a substitute.

Earlier, by unanimous consent, Senate agreed to the motion to proceed to consideration of the budget resolution.

A unanimous-consent agreement was reached providing for further consideration of the budget resolution at 9 a.m., on Tuesday, April 3, 2001.

Measures Placed on Calendar:

Statements on Introduced Bills:

Additional Cosponsors:

Amendments Submitted:

Additional Statements:

Privileges of the Floor:

Record Votes: One record vote was taken today. (Total—64)

Adjournment: Senate met at 5 p.m., and adjourned at 9 p.m., until 9 a.m., on Tuesday, April 3, 2001. (For Senate’s program, see the remarks of the Acting Majority Leader in today’s Record on page S3286.)

Committee Meetings

No committee meetings were held.
House of Representatives

Chamber Action

The House was not in session. It will next meet on Tuesday, April 3 at 12:30 p.m. for morning-hour debate.

Committee Meetings

IRS PROGRESS IN ADDRESSING MANAGEMENT ISSUES

Committee on Government Reform: Subcommittee on Government Reform held a hearing on "IRS Progress in Addressing Management Issues." Testimony was heard from Charles O. Rossotti, Commissioner, IRS, Department of the Treasury; Robert F. Dacey, Director, Information Security Issues, GAO; and Larry R. Levitan, Chairman, IRS Oversight Board.

COMMITTEE MEETINGS FOR TUESDAY, APRIL 3, 2001

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, and Education, to hold hearings to examine issues surrounding Alzheimer’s Disease, 9:30 a.m., SH–216.


Committee on Energy and Natural Resources: to hold hearings to examine national energy policy with respect to impediments to development of domestic oil and natural gas resources, 9:30 a.m., SD–628.

Committee on Finance: to hold hearings to examine the process of finding successful solutions relative to Medicare and Managed Care, 10 a.m., SD–215.

Committee on Foreign Relations: business meeting to consider S. 219, to suspend for two years the certification procedures under section 490(b) of the Foreign Assistance Act of 1961 in order to foster greater multilateral cooperation in international counternarcotics programs; S. Res. 27, to express the sense of the Senate regarding the 1944 deportation of the Chechen people to central Asia; S. Res. 60, urging the immediate release of Kosovar Albanians wrongfully imprisoned in Serbia; S. Res. 62, expressing the sense of the Senate regarding the human rights situation in Cuba; S. Con. Res. 7, expressing the sense of Congress that the United States should establish an international education policy to enhance national security and significantly further United States foreign policy and global competitiveness; S. Con. Res. 23, expressing the sense of Congress with respect to the involvement of the Government in Libya in the terrorist bombing of Pan Am Flight 103; the nomination of William Howard Taft, IV, of Virginia, to be Legal Adviser of the Department of State, and a Foreign Service Officer promotion list, 10:30 a.m., SD–419.

Select Committee on Intelligence: to hold closed hearings on intelligence matters, 2:30 p.m., SH–219.

Committee on the Judiciary: to hold hearings to examine online entertainment and related copyright law, 10 a.m., SD–106.

Subcommittee on Technology, Terrorism, and Government Information, to hold hearings to examine the Hart-Rudman Report, with respect to homeland defense, 2 p.m., SD–226.

House

Committee on Agriculture, Subcommittee on Department Operations, Oversight, Nutrition, and Forestry, hearing to review the USDA domestic food distribution programs, 1 p.m., 1300 Longworth.

Committee on Appropriations, Subcommittee on District of Columbia, on Corrections and Related Activities, 1:30 p.m., 2362 Rayburn.

Subcommittee on Labor, Health and Human Services and Education, on Members of Congress, 10 a.m., 2358 Rayburn.

Committee on Education and the Workforce, Subcommittee on Select Education, hearing on Department of Education Financial Management, 9:30 a.m., 2175 Rayburn.

Committee on Energy and Commerce, Subcommittee on Commerce, Trade and Consumer Protection, hearing on An Examination of Existing Federal Statutes Addressing Information Privacy, 2 p.m., 2123 Rayburn.

Committee on Government Reform, Subcommittee on National Security, Veterans Affairs and International Relations, hearing on “Protecting American Interests Abroad: U.S. Citizens, Businesses, and Non-governmental Organizations,” 10 a.m., 2247 Rayburn.

Subcommittee on Technology and Procurement, hearing on "Enterprise-Wide Strategies for Managing Information Resources and Technology: Learning From State and Local Governments,” 10 a.m., 2154 Rayburn.

Committee on Resources, Subcommittee on Forests and Forest Health oversight hearing on Developing Economic Uses for Forest Fuels, 3 p.m., 1324 Longworth.

Subcommittee on Water and Power, oversight hearing on California Water-A Regional Perspective, 2 p.m., 1324 Longworth.

Committee on Rules, to consider the following: H.R. 8, Death Tax Elimination Act of 2001; and H.R. 1088, Investor and Capital Markets Fee Relief Act, 5 p.m., H–313 Capitol.

Committee on Science, Subcommittee on Space and Aeronautics, hearing on Vision 2001: Future Space, 4 p.m., 2318 Rayburn.
Committee on Small Business, Subcommittee on Regulatory Reform and Oversight, hearing on Internet Entrepreneurship, 2 p.m., 311 Cannon.

Committee on Veterans’ Affairs, Subcommittee on Health, hearing on the state of the VA Health Care System, 2 p.m., 334 Cannon.

Committee on Ways and Means, Subcommittee on Human Resources, to continue hearings on welfare reform issues, 3 p.m., B–318 Rayburn.

Subcommittee on Oversight, hearing on the 2001 tax return filing season, 2 p.m., 1100 Longworth.

Permanent Select Committee on Intelligence, executive, briefing on Plan Colombia, 2 p.m., H–405 Capitol.
Résumé of Congressional Activity

FIRST SESSION OF THE ONE HUNDRED SEVENTH CONGRESS

The first table gives a comprehensive résumé of all legislative business transacted by the Senate and House. The second table accounts for all nominations submitted to the Senate by the President for Senate confirmation.

### DATA ON LEGISLATIVE ACTIVITY

<table>
<thead>
<tr>
<th></th>
<th>Senate</th>
<th>House</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Days in session</td>
<td>45</td>
<td>52</td>
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<tr>
<td>Time in session</td>
<td>286 hrs., 52′</td>
<td>132 hrs., 52′</td>
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<td>Congressional Record:</td>
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<td>Pages of proceedings</td>
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<td>Public bills enacted into law</td>
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<tr>
<td>Private bills enacted into law</td>
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<tr>
<td>Bills in conference</td>
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<tr>
<td>Measures passed, total</td>
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<td>House bills</td>
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<td>Simple resolutions</td>
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<td>46</td>
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<td>Measures reported, total</td>
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<td>Simple resolutions</td>
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<td>Special reports</td>
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<td>Conference reports</td>
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<td>Measures pending on calendar</td>
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<td>Measures introduced, total</td>
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<td>Bills</td>
<td>662</td>
<td>1,329</td>
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<td>Joint resolutions</td>
<td>12</td>
<td>42</td>
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<td>Concurrent resolutions</td>
<td>30</td>
<td>92</td>
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<td>Simple resolutions</td>
<td>65</td>
<td>109</td>
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### DISPOSITION OF EXECUTIVE NOMINATIONS

January 3 through March 31, 2001

<table>
<thead>
<tr>
<th>Civilian Nominations, totaling 275, disposed of as follows:</th>
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<tbody>
<tr>
<td>Confirmed .................................................................. 27</td>
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<tr>
<td>Unconfirmed ................................................................ 186</td>
</tr>
<tr>
<td>Withdrawn ................................................................... 62</td>
</tr>
</tbody>
</table>

Other Civilian Nominations, totaling 818, disposed of as follows:

<table>
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<tr>
<th>Air Force Nominations, totaling 4,480, disposed of as follows:</th>
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<tbody>
<tr>
<td>Confirmed .................................................................. 4,348</td>
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<tr>
<td>Unconfirmed ................................................................ 132</td>
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</table>

Army Nominations, totaling 1,984, disposed of as follows:

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<th>Navy Nominations, totaling 93, disposed of as follows:</th>
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<tbody>
<tr>
<td>Confirmed .................................................................. 77</td>
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<tr>
<td>Unconfirmed ................................................................ 16</td>
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</table>

Marine Corps Nominations, totaling 1,050, disposed of as follows:

<table>
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<tr>
<th>Total Nominations carried over from the First Session .......... 0</th>
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<tbody>
<tr>
<td>Total Nominations Received this Session .......................... 8,700</td>
</tr>
<tr>
<td>Total Confirmed ................................................................ 7,035</td>
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<tr>
<td>Total Unconfirmed ................................................................ 1,603</td>
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<tr>
<td>Total Withdrawn .................................................................. 62</td>
</tr>
<tr>
<td>Total Returned to the White House ................................... 0</td>
</tr>
</tbody>
</table>

*These figures include all measures reported, even if there was no accompanying report. A total of 9 reports have been filed in the Senate, a total of 13 reports have been filed in the House.
Next Meeting of the SENATE
9 a.m., Tuesday, April 3

Senate Chamber

Program for Tuesday: Senate will continue consideration of H.Con.Res. 83, Congressional Budget Resolution.

(Senate will recess from 12:30 p.m. until 2:15 p.m. for their respective party conferences.)

Next Meeting of the HOUSE OF REPRESENTATIVES
12:30 p.m., Tuesday, April 3

House Chamber

Program for Tuesday: Consideration of Suspensions:
(1) H.R. 642, NOAA Chesapeake Bay Office;
(2) H.R. 768, Need-Based Educational Aid;
(3) H. Con. Res. 59, Shaken Baby Syndrome Awareness;
(4) H.R. 1133, Calculation of Payments for Small Local Educational Agencies;
(5) H. Res. 91, Human Rights Situation in Cuba;
(7) H.R. 974, Small Business Interest Checking; and

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