borrowing authority on August 15. Then the Federal Government would be obliged to default on its obligations if Congress does not act before it leaves for our break.

So, to make absolutely sure that this does not occur and with all our other attendant problems, we certainly do not need one of this dimension, were we not to pass this temporary debt ceiling. So I would urge Members to close ranks and support this temporary extension. By October 1, let us see where we are. Hopefully, the submitters will have gotten together, and reached an accord to an agreement so that by October 1, we can put everything to bed before we face what could very well be an unconscionable sequester.

Mr. ARCHER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HOYER). Under the rule, the previous question is ordered on the bill and the amendment.

The question is on the amendment offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

The amendment was agreed to.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. President, the question was on the amendment and not on the bill?

The SPEAKER pro tempore. The gentleman is correct, the question was on the amendment.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order a quorum is not present.

The SPEAKER pro tempore. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 247, nays 172, not voting 13, as follows:

[Roll No. 313]

YEAS—247

Ackerman	Boehlert	Chapman
Alexander	Boggs	Clarke
Anderson	Bonior	Clay
Andrews	Borski	Clement
Annunzio	Bosco	Coleman (MO)
Anthony	Boucher	Coleman (TX)
Archer	Boxer	Collins
Aspin	Brennan	Conte
Atkins	Brooks	Conyers
AuCoin	Browder	Coyne
Barnard	Brown (CA)	Davis
Bateman	Bruce	de la Garza
Bellenson	Bustamante	DeFazio
Bennett	Cardin	Dellums
Berman	Carper	Derrick
Bilbray	Carr	Dicks
Bliley	Chandler	Dingell
Dixon	LaFalce	Price
Donnelly	Lancaster	Rahall
Downey	Lantos	Rangel
Durbin	Lehman (CA)	Richardson
Dwyer	Lent	Roe
Dymally	Levin (MI)	Rose
Edwards (CA)	Levine (CA)	Rostenkowski
Emerson	Lewis (GA)	Roukema
Engel	Lipinski	Rowland (GA)
Espy	Lloyd	Roybal
Evans	Long	Sabo
Fascell	Lowery (CA)	Saiki
Fazio	Lowey (NY)	Sarpalius
Feighan	Luken, Thomas	Savage
Fish	Madigan	Sawyer
Flake	Manton	Scheuer
Flippo	Markey	Schiff
Foglietta	Martin (NY)	Schumer
Ford (TN)	Martinez	Serrano
Frank	Matsui	Sharp
Frenzel	Mavroules	Sikorski
Frost	Mazzoli	Sisisky
Gallo	McCloskey	Skaggs
Gejdenson	McCrery	Skeen
Gephardt	McDade	Skelton
Geren	McDermott	Slaughter (NY)
Gibbons	McGrath	Smith (FL)
Gillmor	McHugh	Smith (IA)
Gingrich	McMillen (MD)	Smith (NJ)
Glickman	McNulty	Smith (VT)
Goodling	Mfume	Solarz
Gordon	Michel	Spratt
Gradison	Miller (CA)	Staggers
Gray	Miller (WA)	Stark
Green	Mineta	Stenholm
Guarini	Moakley	Stokes
Hall (OH)	Molinari	Studds
Hamilton	Mollohan	Swift
Harris	Montgomery	Synar
Hatcher	Moody	Thomas (GA)
Hawkins	Morella	Thomas (WY)
Hayes (IL)	Morrison (CT)	Torres
Hayes (LA)	Morrison (WA)	Torricelli
Hefner	Mrazek	Towns
Hertel	Murtha	Traxler
Hochbrueckner	Nagle	Udall
Horton	Natcher	Unsoeld
Hoyer	Nowak	Vander Jagt
Hughes	Oakar	Vento
Hunter	Oberstar	Volkmer
Hyde	Obey	Walgren
Jenkins	Olin	Walsh
Johnson (CT)	Ortiz	Washington
Johnson (SD)	Owens (NY)	Waxman
Johnston	Owens (UT)	Weiss
Jones (GA)	Oxley	Wheat
Jones (NC)	Panetta	Whitten
Jontz	Parker	Williams
Kanjorski	Patterson	Wilson
Kaptur	Payne (NJ)	Wise
Kastenmeier	Payne (VA)	Wolf
Kennedy	Pease	Wolpe
Kennelly	Pelosi	Wylie
Kildee	Perkins	Yates
Kleczka	Pickle	
Kostmayer	Porter	

NAYS—172

Applegate	Craig	Grant
Armey	Crane	Gunderson
Baker	Dannemeyer	Hammerschmidt
Ballenger	Darden	Hancock
Bartlett	DeLay	Hansen
Barton	DeWine	Hastert
Bates	Dickinson	Hefley
Bentley	Dorgan (ND)	Henry
Bereuter	Dornan (CA)	Herger
Broomfield	Douglas	Hiler
Brown (CO)	Dreier	Hoagland
Bryant	Duncan	Holloway
Buechner	Dyson	Hopkins
Bunning	Early	Houghton
Burton	Eckart	Hubbard
Byron	Edwards (OK)	Huckaby
Callahan	English	Hutto
Campbell (CA)	Erdreich	Inhofe
Campbell (CO)	Fawell	Ireland
Clinger	Fields	Jacobs
Coble	Gallegly	James
Combest	Gaydos	Kasich
Cooper	Gekas	Kolbe
Costello	Gilman	Kolter
Coughlin	Gonzalez	Kyl
Courter	Goss	Lagomarsino
Cox	Grandy	Laughlin
Leach (IA)	Ravenel	Smith, Robert (OR)
Lewis (CA)	Ray	Snowe
Lewis (FL)	Regula	Solomon
Lightfoot	Rhodes	Spence
Livingston	Ridge	Stallings
Lukens, Donald	Rinaldo	Stangeland
Machtley	Ritter	Stearns
Marlenee	Roberts	Stump
Martin (IL)	Rogers	Sundquist
McCandless	Rohrabacher	Tallon
McCollum	Ros-Lehtinen	Tanner
McCurdy	Roth	Tauke
McEwen	Rowland (CT)	Tauzin
McMillan (NC)	Russo	Taylor
Meyers	Sangmeister	Thomas (CA)
Miller (OH)	Saxton	Traficant
Moorhead	Schaefer	Upton
Murphy	Schneider	Valentine
Myers	Schroeder	Visclosky
Neal (MA)	Schulze	Vucanovich
Neal (NC)	Sensenbrenner	Walker
Nielson	Shaw	Weber
Packard	Shays	Weldon
Pallone	Shumway	Whittaker
Parris	Shuster	Wyden
Pashayan	Slattery	Yatron
Paxon	Slaughter (VA)	Young (AK)
Penny	Smith (NE)	Young (FL)
Petri	Smith (TX)	
Pickett	Smith, Denny (OR)	
Poshard	Smith, Robert (NH)	
Quillen		

NOT VOTING—13

Bevill	Hall (TX)	Robinson
Bilirakis	Leath (TX)	Schuette
Condit	Lehman (FL)	Watkins
Crockett	Nelson	
Ford (MI)	Pursell	

□ 1530

The Clerk announced the following pair:

On this vote:

Mr. Nelson of Florida, for, with Mr. Pursell against.

Mr. BATES changed his vote from "yea" to "nay."

Mr. TORRES changed his vote from "nay" to "yea."

So the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANTION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 3, 1990

Mr. LEHMAN of Florida. Mr. Speaker, although I was present and voted during rollcall No. 313, for some reason my vote was not recorded electronically. I want the RECORD to show that I was indeed present and voted "yes."

GENERAL LEAVE

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. HOYER). Is there objection to the request of the gentleman from Florida?

There was no objection.

GET OUT OF THE HALLWAYS AND LET US VOTE

Mr. ROBERTS. Mr. Speaker, I ask for this 1-minute because I think it is time to restore some dignity to this House and make it possible for Members of this body to come to the floor and vote without going through what has become a virtual gauntlet of noisy, determined, grabbing, partisan, hot and bothered, and, sometimes, rude crowd that is clogging the entrance of this Chamber on this side and that side.

Mr. Speaker, 3 years ago for security reasons we emptied the entranceways to this Chamber. We were worried about the safety of Members. We asked the Sergeant at Arms to clear the hallway, and he did.

Mr. Speaker, this is the people's House. I have no quarrel with anyone who wants to visit with me or any Member in my office, on the grounds, in the Halls, in the Speaker's Reception Room, in the trees, behind the bushes, wherever. I do not care. However, Mr. Speaker, the way it has been today and on previous occasions, we cannot even get through the hallway to vote without endangering life, limb, cufflinks, earrings, and going through a tackle drill like the Washington Redskins.

Get out of the hallways, and let us vote.

PROVIDING FOR ADJOURNMENT OF THE HOUSE FROM FRIDAY, AUGUST 3, 1990, TO WEDNESDAY, SEPTEMBER 5, 1990, AND ADJOURNMENT OR RECESS OF THE SENATE FROM ANY DAY BETWEEN AUGUST 3 AND AUGUST 10, 1990, TO SEPTEMBER 10, 1990

Mr. GRAY. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 360) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 360

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Friday, August 3, 1990, it stand adjourned until 12 o'clock meridian on Wednesday, September 5, 1990, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns on any day from Friday, August 3, 1990, to Friday, August 10, 1990, pursuant to a motion made by the Majority Leader, or his designee, it stand in recess or stand adjourned until 10 o'clock ante meridiem on Monday, Septemter 10, 1990, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5400, CAMPAIGN COST REDUCTION AND REFORM ACT OF 1990

Mr. BONIOR. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 453 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 453

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5400) to amend the Fedcral Election Campaign Act of 1971 and certain related laws to clarify such provisions with respect to Federal elections, to reduce costs in House of Representatives elections, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against consideration of the bill are hereby waived. After general debate, which shall be confined to the bill and the amendments made in order by this resolution and which shall not exceed two hours, to be equally divided and controlled by the majority leader and the minority leader, or their designees, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider an amendment in the nature of a substitute consisting of the text printed in part one of the report of the Committee on Rules accompanying this resolution as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered as having been read, and all points of order against said substitute are hereby waived. No amendment to said substitute shall be in order except (1) the amendments printed in part two of the report of the Committec on Rules which shall be considered en bloc and (2) an amendment in the nature of a substitute submitted to the Congressional Record of August 2, 1990, by Representative Michel of Illinois. The amendments shall be considered in that order and shall be debatable for one hour each, equally divided and controlled by the proponent and a Member opposed thereto. The amendments shall not be subject to amendment and all points of order against the amendments are hereby waived except those under clause 7 of rule XVI. The amendments en bloc printed in the report of the Committee on Rules shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Members may demand a separate vote in the House or any amendment adopted in the Committee of the Whole to the bill or the amendment in the nature of a substitute made in order as original text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

□ 1540

The SPEAKER pro tempore (Mr. HOYER). The gentleman from Michigan [Mr. BONIOR] is recognized for 1 hour.

Mr. BONIOR. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, campaigns cost too much. Spending on elections is out of control for both incumbents and challengers.

We are forced to spend too much time raising money under our current system of electoral financing.

In 1988, there were 20 House races which cost at least $1 million. Today, the average Senate campaign costs $4 million.

It is time for a change.

In the last decade, the cost of television advertising has tripled. The average campaign now spends half its funds on advertising.

It is time for a change.

The American people will no longer tolerate business as usual.

It is time for a change.

Today we have a chance to consider legislation, H.R. 5400, which will restructure the business of electing Congress.

Changing the rules of the game is uncomfortable. It leads to uncertainty.

But there can be no doubt. Strong campaign finance reform legislation is a must.

H.R. 5400 is a good bill.

It establishes a $550,000 spending limit for each election cycle. Of that total, no candidate could accept more than half of their funds from PAC's.

It closes the soft money loophole by prohibiting presidential candidates from soliciting or receiving any soft money, and requires full disclosure of soft money spending in federal elections.

It would allow small-donor PAC's to contribute up to $5,000 per election, but limit high-donor PAC's to $1,000.

And finally, H.R. 5400 would tighten the regulations on independent expenditures, and discourage negative campaign advertising.

Under the rule we will consider today, we will also make in order the Synar-Obey amendment. It would further restrict PAC contributions to only 40 percent of the half-million-dollar limit, and cut individual contributions to $500.

Perhaps most importantly, it would provide a match of up to $100,000 in public financing for contributions of $50 or less.

We will never break the addiction to electoral fundraising until we have public financing.

The rules of the game must be made fair, even as we allow for maximum participation in our democratic system.

H.R. 5400 will help us end the money chase that threatens our political process.

It is good government, good politics, and common sense.

Mr. Speaker, House Resolution 453 is a modified closed rule that waives all points of order against consideration of the bill.

Debate time is divided between the majority leader and the minority leader or their designees.

The rule makes in order the amendment in the nature of a substitute now printed in the report accompanying this resolution as original text. General debate is limited to 2 hours.

No amendment to the substitute is in order except: First, the Synar-Obey amendments en bloc, and second, the Michel amendment in the nature of a substitute. Each amendment is debatable for an hour.

The amendments are not subject to amendment, and all points of order against their consideration are waived except for clause 7 of rule 16, pertaining to germaneness.

The rule provides for one motion to recommit.

House Resolution 453 permits immediate consideration of one of the most important pieces of legislation we will consider in this Congress.

I urge my colleagues to support it.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the rule has been ably explained, but I think here at this late hour of the day when we are supposed to adjourn for a district work period, bringing such mammoth legislation to the floor is really asinine.

We all want campaign reform, but why cram it down our throats with no opportunity to amend? It should be brought to the floor of the House under an open rule.

I pleaded with the Rules Committee to grant an open rule and made a motion for an open rule, but it was defeated.

Mr. Speaker, I also made a motion that we postpone action in reporting the rule, and that was defeated.

Haste makes waste. I personally want campaign reform, but why not hammer out a nonpartisan campaign reform where Republicans and the Democrats can all get together? Why fight about it?

I recommend that we defeat this rule so that we can come back after our August work period and get down to the business of passing a meaningful campaign reform bill.

Mr. Speaker, I have several requests for time, but I want to stress to the membership that it is folly, folly, folly to bring this measure up today under this rule. I voted against this rule in the Rules Committee and I will vote against this rule on the floor of the House.

Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the ranking Republican leader for yielding me this time.

Mr. Speaker, I would join with the ranking Republican on the Rules Committee to denounce this travesty here on the floor today. This rule should be defeated soundly. If the rule does manage to get approved, then the bill itself, H.R. 5400, ought to be defeated, too.

The distinguished Republican whip, the gentleman from Georgia [Mr. GINGRICH], said it very well yesterday in his testimony at the Rules Committee:

To consider a so-called reform bill at the 11th hour under this kind of a closed rule suggests that the need for reform goes far beyond the issue of campaign financing.

And he was so right.

Mr. Speaker, this bill was introduced on Wednesday evening. It was not considered by any committee of original jurisdiction. As a matter of fact, prior to its introduction on Wednesday, it had not even been seen by any Members except those who are privy to the inner sanctum of the Democrat Party leadership.

Mr. Speaker, it goes without saying that the prospects of such a partisan document actually getting enacted into law are very slim indeed.

Do you really want campaign reform? But that is not the issue right now. What is the issue is the continued abuse and the trivialization of the rules and procedures of this House. How long is this going to go on? Here we are, confronted again with yet another closed rule, a rule that denies the minority its instructions, a right to offer a motion to recommit with instructions, a right that we have had since 1913; and those rules have not been changed in this House.

I noted yesterday during the debate on the rule for the civil rights bill that the precedent which permits the minority to offer a motion to recommit with instructions in all rules, open or closed, goes back to 1913. I said further that it has only been recently that this precedent has been regularly reversed.

Let me cite some statistics, and believe me, you gentleman on that side of the aisle who really should be fair, must listen. In the 95th Congress, the 96th Congress, the 97th Congress, and the 98th Congress, between 1977 and 1985, this House considered a total of 696 rules. Only one of those rules, just one rule in a period of 8 years, restricted the right of the minority to offer a motion to recommit with instructions. Just one, in 8 years.

Mr. Speaker, how times have changed. Since the beginning of the 99th Congress in 1985, the House has passed 41 rules which restrict this traditional minority right. The rule today is the 12th such rule this Congress, and Mr. Speaker, it has handcuffed this minority by depriving us of this right.

Mr. Speaker, I will close by citing a personal illustration of why what we are doing here today is so wrong. I have not told our colleague, the gentleman from Florida [Mr. BENNETT], who is sitting in the front row here, that I am going to do this, but with the gentleman's indulgence I would like to tell the House something about him.

The gentleman from Florida [Mr. BENNETT] is one of the most senior and respected Members of this House. He has more character and integrity than most of the rest of us put together. Last November, when the Rules Committee considered the congressional ethics reform package, the gentleman from Florida [Mr. BENNETT] requested permission to offer an amendment that would ban—listen to this—Member-controlled PAC's from making contributions to other Members.

□ 1550

He was fluffed off by the Committee on Rules and told to come back when the campaign finance reform bill was going to come up. So he came back yesterday, almost a year later, and he was fluffed off again, this highly respected Member.

That is what is wrong with this whole process here today. This exercise today is a wretched travesty. This rule should be defeated. We should come back on this floor and let Members like me offer an amendment to wipe out all PAC's, from unions, from corporations, from anybody. Let us get some real reform on this floor. And let us debate it out here honestly and openly.

I hope we defeat this rule.

Mr. BONIOR. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, let me simply say that I have been involved in campaign finance reform efforts in this place for the last 15 years. The last campaign reform bill which passed the House bore my name. It was the Obey-Railsback amendment, and I am proud of that.

The fact is that that 15 years of experience on this issue has taught me a lot of things, and it has enabled me to

take with a grain of salt a lot of what I hear on this issue.

I simply would like to strongly support this rule and tell the Members why I think this kind of a rule is essential to move reform forward.

First of all, I want to ask the question: Who is kidding whom? There is literally no one in the House for whom I have more respect than the distinguished minority leader, and I heard him suggest in the Committee on Rules, and I heard others suggest from the minority side of the aisle, that we ought to slow this down, we ought not do this this week, we ought to wait until we get back from the August recess. I would not mind that comment if I had not read in the papers, just Monday of this week, stories indicating that the Republican leadership was fully prepared to make an attack on the Democratic Party in this House if we did leave without passing campaign reform.

It seems to me that in the eyes of the minority we are damned if we do and damned it we don't, so as long as that is the case, we might as well do. We might as well move forward and pass this bill while we have a chance.

The second point I want to make is simply this. The argument is made, "Oh, gee whillakers, we have got to have an open rule so that we can really scrub up these alternatives and improve them." I have been around here long enough to know that the best way you guarantee that reform is killed is to have an open rule, because campaign finance systems are very much like ecosystems. They are very complicated. One piece of the environment depends upon another, just as one piece of campaign finance legislation depends upon how it fits in with another piece. And the surest way to kill any meaningful reform is to let Democrats pull out by a vote a key piece in a Republican package, or to let Republicans pull a key piece out of a Democratic package. That is the way you destroy the cohesion and the intelligent rationale which has gone into building both the Republican and the Democratic approaches.

The other point I would simply like to make is this: We are here trying to change the existing law, because the Supreme Court did not operate under a closed rule. The problem is that the public today seems to think that the Congress designed the existing system. We did not. We designed the reform package, and then what happened is the Court picked a little piece here and it picked a little piece there, it kept these, it threw out those, and it produced a system which makes no intellectual sense.

That is why it is necessary, if you are going to have a system which makes sense to the taxpayer and gives middle class people an even break in influencing events on this floor, it is essential that you keep these alternatives together as packages. That is why this rule makes sense. It protects the intellectual integrity of the Republican package. It protects the intellectual integrity of the Democratic package, or of the Swift package, I should say, the original bill off which we are both working, and it protects the integrity of the Democratic alternative to the Swift package.

We will be able to choose between three packages. The debate will determine who wins the debate, who persuades enough Members to win votes on this floor. But the idea that we should somehow proceed under an open rule is ludicrous if you have followed the history of reform as long as I have.

Every major reform in this House, whether it be campaign finance legislation or changes in the way we run this House itself, every major step forward in improving the rules of the House or the rules under which we campaign has come under structured rules so that we cannot play the game of pulling out this piece there and this piece there and destroying the integrity of the process in the first place.

So I congratulate the Committee on Rules for coming up with this rule. I think it is essential that we do this, if we are really going to move reform forward.

I urge the Members to vote yes on the rule.

Mr. BONIOR. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER of New York. Mr. Speaker, I rise in strong support of this rule. I urge its adoption for the improvement of the political process.

Mr. Speaker, today I am proud to introduce with Representative BARBARA BOXER the Violence Against Women Act. Through this legislation we are taking a tough stand against this heinous but all-too-common type of violent crime.

In the United States today, a woman is beaten every 18 seconds; raped or attempted to be raped every 3½ minutes; and murdered by a husband or boyfriend every 6 hours. In 1989 alone, the Rochester police in my own district reported 3,886 domestic violence offenses. Rape is the fastest growing crime in our country, and it's estimated that 50 to 90 percent of all rapes are never reported to the police. In Rochester, calls to a rape crisis hotline have increased an average of 15.3 percent each year from 1980 to 1989, and 47 percent of the callers do not report the attack to the police. These shocking statistics demand that our judicial system enact legislation on the Federal and State level to break this cycle of violence against women.

The Violence Against Women Act increased Federal penalties and sentences for those convicted of sex offenses. It doubles sentences for repeat offenders. This is critical because rape is the crime with the highest rate of recidivism, according to Linda Fairstein, the head of the Manhattan district attorney's sex crimes unit.

The bill requires attackers to make financial compensation to their victims, and for the first time would make victims of violence based on their gender eligible for the compensatory and punitive damages available to others whose civil rights have been violated. The bill provides grants to governments in areas of high intensity crime to develop effective law enforcement and prosecution strategies to combat violent crimes against women and creates a commission to study violent crime against women.

These and the other provisions of this bill will be effective only if they are copied and adopted by every State. They certainly will make a difference to the victims in my congressional district if New York adopts similar legislation.

This year, Arthur Shawcross was arrested and indicted for murdering 10 women in the Rochester area. Outrage mounted when it became known that in 1972, Shawcross had been convicted of raping and murdering a little girl, sent to prison, and paroled after only 15 years. He was on parole for other crimes when he committed the 1972 murder. Had New York State enacted legislation like the bill we are introducing today, sentencing guidelines would have required that Shawcross have served at least 18 years for the rape and murder. He would still be in prison now, and the 10 women he is accused of murdering might still be alive today.

This July, the Rochester Democrat and Chronicle ran a superb, thought-provoking five-part series on violence against women. For six months, reporters Susan McNamara and Deborah Fineblum Raub researched these articles, interviewing experts on law, counselors, victims, and violent men who have attacked women. I commend these reporters, the newspaper, and photographer Karen Mitchell for devoting so much time and space in the paper to promoting public awareness of this critical issue.

The series highlights the extent of the problem, the many effects of violence against women, and the avenues available for help. It sympathetically and concisely discusses the facts and feelings of victims such as Kathy Corey, who was brave enough to come forward and prosecute the man who raped her in 1977, and who now volunteers to counsel other rape victims on how to recover from this terrible crime. The series echoes the reasons why last year and again this year I introduced legislation designating October as National Domestic Violence Awareness Month. If we can begin talking about the dimensions of the problem we can begin pursuing a solution.

I recommend the Democrat and Chronicle series to anyone interested in learning about the extent and horror of violence against women. Because this issue is so important, and because this series so eloquently examines violence against women, I am including in the RECORD excerpts from this extraordinary series.

I hope that Congress will set an example to States by toughening Federal law setting the consequences for those who attack women and by working with local police to stop the

problem. We can do that by passing the Violence Against Women Act.

[From the Rochester Democrat and Chronicle, July 11, 1990]

MANY SHARE A CYCLE OF PAIN

(By Deborah Fineblum Raub)

This was absolutely the last time she would let her husband beat her, Gloria said, eyes puffy and red from a night of crying.

But, she admitted, she has said that before.

In fact, after every beating she swears she'll never let it happen again. Then, in the morning, thinking about her children's need for their father, her own financial helplessness, and the fervor of her husband's apologies, she forgives him . . . again.

And the cycle of domestic violence begins again in the night of Gloria's suburban Rochester home.

"Everything will be fine for a while, then it starts all over," she said.

The accusations: "I'm a lousy mother, I'm a lousy housekeeper and cook, I'm being unfaithful * * * I am a nothing." And then come the beatings.

Cheryl and Jill are seated near Gloria (not their real names) in the living room of the Alternatives for Battered Women shelter. "'You're just a nothing,' that's exactly what my boyfriend says to me before he slaps me around," said Cheryl.

These women are not alone. Domestic violence—committed by a husband or boyfriend, ex-husband or ex-boyfriend—is the most common violent crime against women.

Consider the following:

Domestic violence is the most frequent cause of injury to women, more prevalent than auto accidents, rapes and muggings combined, according to former U.S. surgeon general C. Everett Koop.

Men commit 91 percent of all assaults on their spouses or ex-spouses.

Twenty percent of visits by women to emergency medical services are caused by battering.

DOMESTIC ABUSE IS ALL TOO COMMON

Forty percent of divorce cases in the New York State cite physical violence as the reason for termination of marriage.

Four women die each day in the United States from domestic abuse.

In the 10 months of 1989 for which figures were compiled the Rochester Police Department reported 3,886 domestic violence offenses, up from 2,071 in 1988. "And these number are just a fraction of all the women who get abused; most of them don't ever report to authorities," said Diana Compos, project director for the state-side Spanish-language domestic violence hotline.

Experts say that even those episodes of domestic violence that are reported are just beginning to be perceived as crimes. "For many years our judicial system did not put an end to it. They called it a family feud and looked away," said University of Rochester anthropology professor Ayala Gabriel. "Now it's against the law but the attitude remains. We've only just begun to take the laws seriously."

The lag in societal attitudes has frustrated Phyllis Korn every day of the last 10 years that she's worked as executive director of Alternatives for Battered Women in Rochester. "Traditionally domestic violence has been viewed by society as just a domestic squabble, something that's OK as long as it's kept behind closed doors."

It's an attitude that's been absorbed so deeply that it is reflected in the English language, she added; the expression "rule of thumb" derives from an old English law that says a man may beat his wife, as long as the stick is no thicker than his thumb, she said.

"And, even though the law now tries to protect a woman against violence in her home, the same people who will intervene when someone attacks a stranger on the street, will still turn aside if it's a man hitting 'his' woman."

Domestic violence is a crime that tends to victimize a woman over and over again; on the average, a woman returns to an abusive husband or boyfriend five to 10 times, Korn said. "Some women are beaten for months, others for years before they say, 'No more.'"

Why do women caught in this cycle remain? Terry Servis, former Monroe County assistant district attorney, said, "It's tough to explain why some women permit this to go on. But some feel trapped. They have no other visible means of support, they may have children, they may feel there is no alternative."

Alternatives for Battered Women runs one of approximately 1,200 domestic-violence shelters across the United States. The not-for-profit service also provides a 24-hour hotline for abused women, ongoing support groups and individual counseling, and temporary housing for battered women and their children.

"They're more fortunate (in Rochester) than those in rural areas, where there's usually no support at all for abused women, and they're better off than the ones living in big cities where the services they have are overwhelmed," said Korn.

The shelter, which occupies an upper floor of a downtown Rochester office building, houses as many as 26 women and children at a time, serving nearly 500 each year. Security is a primary concern, with dead bolts on all doors, closed-circuit television cameras focused on the foyer.

"The ultimate need here is for safety," Korn said. "This is a place where a woman can relax enough to tackle the critical issues she needs to resolve."

Only at the shelter could Jill escape from her boyfriend's beatings. "I kept going home because I'm not safe on the streets, but I'm not safe at home either."

Jill said that the battering began after she gave birth to their first child. That's not uncommon, Korn said, adding that it's often during pregnancy or after a baby is born that the violence starts.

Battering during pregnancy is the subject of an ongoing study by researcher Judith McFarlane at Texas Women's University in Houston. McFarlane is the recipient of a Centers for Disease Control grant used to track the pregnancies of 1,200 women in two states. Results from preliminary research show that a woman battered during pregnancy has four times the chance of delivering a low birth-weight baby—one at risk for early death or complications—as a woman not battered. She is also more likely to miscarry.

"Ours is the first study to track women through their pregnancies and document the effects of abuse on them and their babies. What we're hoping is that the study will encourage all health professionals to ask questions about abuse of the women they see, pregnant and otherwise," McFarlane said. "Only then can we educate women about the risk of violence in their lives and help them stop the cycle of domestic violence. Knowledge is power, it really is."

Korn said the shelter provides not only "a setting that is indignant that a woman should be subjected to this crime" but counseling support to help her make decisions and an opportunity to be with other women in the same situation.

The National Crime Survey reports about 2.1 million women were beaten in their homes between 1978 and 1982. Deborah White of the National Coalition Against Domestic Violence in Washington, D.C., estimates the current number of abused women nationally between 3 million and 4 million each year.

"For many years our judicial system did not put an end to it. They called it a family feud and looked away. Now it's against the law but the attitude remains." Ayala Gabriel, University of Rochester anthropology professor.

Of this number, the Bureau of Justice Statistics identifies 57 percent of the beatings are done by spouses and ex-spouses. Boyfriends and exboyfriends make up another, uncalculated, percentage of the national total.

The leap in the numbers of reported cases stems largely from increased community pressure on police to make more arrests, better community education, and more shelters and services for abused women, White said. "So, even though it's still a stigma, more are coming forward," she said. "But it's also true that we have just become a more violent society, with the incidence of this kind of crime up."

In her office, Brigitte Abraham of the Monroe County District Attorney's Domestic Violence Bureau sees "a steady rise in felony assaults and murders that are domestic violence."

And she's glad that women are reporting more than in the past. "The difficulty is that these are very isolating crimes. It's humiliating because it says that you were stupid enough to pick somebody who beats the poop out of you."

On an average day, Rochester police receive 10 calls reporting domestic violence, said Sgt. Steve Di Gennaro, who is in chargc of the family victim service section there.

More than a year ago, the department adopted a pro-arrest policy, one that gives a police officer on a domestic violence call the right to arrest the abuser, even if the victim is reluctant to press charges. This is within the officer's power if he or she sees physical evidence of abuse. Previously, abusers were arrested only when the victim agreed.

"So the officer's hands were tied," said Di Gennaro. Now, under the pro-arrest policy, the abuser can be removed from the home, defusing—at least temporarily—a violcnt situation.

"Pro-arrest policies mean that police are looking at these cases in a different way," said Abraham. The change is responsible in part for the increase in the number of domestic violence calls to police, she added. "More women are calling now as society doesn't condone it as much as it used to."

Becky McCorry heads Family Crisis Intervention Team (FACIT), a program of the Rochester Police Department that sends mental health professionals into homes torn by domestic violence. "Pro-arrest provides the support an abused woman needs, because the dynamics of control in domestic violence means that most women are too paralyzed to make the decision to have the batterer arrested."

But McCorry said that pro-arrest is only the first step. "Sometimes people think that the arrest stops a problem. It doesn't. Long-

term counseling—separately for batterer and victim—is what's needed."

Korn said judges "are a key link."

"I think many of our judges are heads-and-shoulders above those in other areas, but we still need to establish a greater understanding of the domestic violence cycle with them."

Sheer volume is the primary challenge facing those courts that deal with domestic violence, said Judge Leonard Maas, who has been a Monroe County Family Court judge for nine years. "The number of our cases has mushroomed completely."

Maas said his court regularly issues temporary orders of protection to keep the abuser out of the home. "And matters are brought back to court in a relatively short time." But there is room for improvement in the way the courts deal with battered women, he said, adding that he's looking forward to reading recommendations forthcoming from the New York State Commission on Domestic Violence.

Despite a legal system and community agencies working to be responsive to battered women, many women remain in their violent homes.

"It's a cycle; by the time a relationship has escalated to violence, a women's self-esteem is very low," Korn said. "She thinks it's her fault. She's heard, "If you hadn't been a whore, if you weren't ugly, if dinner was ready on time, if the house was straightened, I wouldn't have to do this for so long; she feels she's worth nothing."

Jill, however, talking about her life in the shelter's living room, wiped her eyes, blew her nose and made a quiet resolution to fight back.

"I'm not going to stand there and take it anymore," she said. "Each time he's tried to make up, I've fallen for it. The message we get from the legal sysem is that beating your woman is a little bit acceptable, but I'm realizing that nobody deserves to be beat."

FEAR SHRINKS A WOMAN'S WORLD

(By Susan McNamara)

Last December at a local shelter for battered women, a woman recalled the indignation her husband felt as he read newspaper accounts of Rochester's serial killer.

" 'Geez,' he'd say, 'I can't believe the cops are letting this guy run around killing women.' "

When she asked how that violence differed from the violence he inflicted on her, he replied, "That's different. You're my wife and I can do what I want to you."

Violence against women takes many forms—from a gruesome death at the hands of a serial killer to rape in a woman's own home by her husband.

In the United States, a woman is beaten every 18 seconds. Every 3½ minutes, a woman is a victim of rape or attempted rape. Every four hours a woman is murdered. Every six hours a woman is murdered by a husband or boyfriend, according to the U.S. Bureau of Justice Statistics and the Federal Bureau of Investigation.

And while some crimes can be committed as easily against men—and men, in fact, are crime victims more often than women—few would argue that men feel the same fear as women.

It is this fear that forces women, not men, to live in a smaller world: one that is brightly lit after sundown, one that has deadbolt locks and security alarms, one that encourages travel in groups, not alone.

It is this fear that forces many men to worry about wives, girlfriends and daughters—when they work late, when they jog, when they go shopping in the evening.

It is a fear so ingrained that many women don't even recognize it. Yet it amounts to a denial of women's basic rights to life, liberty and the pursuit of happiness.

"I'm not rich but I have the right to live safely in my own neighborhood, to pick up the paper and not read that someone in my family is dead," said Denise P. Logan, of Rochester, in a speech at the "Take Back the Night" rally and march downtown in February. Logan's cousin, Kimberley Denise Logan, was found murdered last year on Meigs Street. There have been no arrests in the case.

"This is not a look-the-other-way issue," she said. "It's time to get busy."

Violence against women, whether it's murder, rape or domestic violence, doesn't occur in a vacuum. The crime doesn't stop with the victim; it touches everyone, from family and friends to the larger community.

LEGACY OF FEAR CONSTRICTS THE WORLD FOR WOMEN

However, it is hardly a 20th-century phenomenon, psychologists say. The image of the cave man with the club dragging around a woman by a hank of hair may not be far off the mark. The violence is probably as old as relationships between men and women.

"It's a fairly traditional thing for women to be beaten, killed and raped," said Leslie R. Wolfe, executive director of the Center for Women's Policy Studies in Washington, D.C.

"As depressing as that fact is, it's true. The serial killer in Rochester sounded like Jack the Ripper. We're talking about a continuum here."

The issue has become a popular one in some political circles.

It was more than a decade ago—before it was fashionable for male politicians to address the subject—that Rep. George P. Miller, D-Calif., first spoke out on violence against women. He says he was accused by a colleague of "trying to take the fun out of marriage."

Miller is chairman of the Select Committee on Children, Youth and Families of the U.S. House of Representatives. Among the committee's work was the 1987 hearing on "Women, Violence and the Law" in Washington, D.C.

"Violence against women is an everyday occurrence in America," he says. But despite great strides in the last decade or so, "there is still much work to be done."

Last month, congressional hearings were held in Washington on legislation calling for tougher penalties for violence against women.

The proposed bill would make gender-related violence a civil rights violation, entitling the victim to sue for punitive damages. Also, $300 million in grants would be provided to create a commission on violence against women.

Consider these statistics:

More than half of all violent crimes against women are committed by people they know. Yet, according to the Office for Victims of Crime of the U.S. Department of Justice, violent acts against women are the crimes least likely to be reported.

A girl who was 12 years old in 1989 has a 73 percent chance of being a victim of violent crime—rape, robbery or assault—sometime in her life.

In all categories of violent crime, women are victims in numbers disproportionate to the crimes they commit. A woman is more than twice as likely to be murdered as to murder. She is 12 times more likely to be a victim of domestic violence than an abuser.

Ninety-nine percent of serial killers are men; between 80 and 90 percent of victims of serial killers are women.

Between 1977 and 1986, the number of rapes reported to police was up 43 percent, making it the fastest growing type of violent crime in the United States.

Nationally between 1978 and 1982, 2.1 million women were battered at least once. However, it's hard to estimate how many battering incidents occur locally. Four jurisdictions in Monroe County don't keep records of family trouble or domestic disturbance calls. The Rochester Police Department reports as many as 10 arrests a day, with most of the violence directed against women.

Experts say that illegal drugs also may account for some of the violence against women.

"They definitely contribute to the climate of violence," said Phyllis Korn, executive director of Alternatives for Battered Women in Rochester. "I would never say that drugs or alcohol or stress make people violent but for those who need to control others, it makes things much worse."

But American culture should share some of the blame for the climate of violence, too.

"We call ourselves peace-loving but it's a cliche. Look at our heroes," said psychologist Elaine F. Greene, who has a private practice in Brighton. "Over the decades, we have admiration for macho figures—Batman, Superman, Rambo."

Even in romantic films, the depiction of dominant men and submissive women may give mixed messages.

"You've seen the old movies, where a woman is slapped across the face and brought to her senses, or where she's picked up and carried off as she beats her little fists on the man's back," said Ayala H. Gabriel, assistant professor of anthropology at the University of Rochester. "The myth is that women love it. Violence and sexuality get mixed, and a myth is propagated."

The case against pornography is even more dramatic. Research studies haven't always agreed that depicting women in nonviolent ways in pornography causes antisocial behavior. However, most experts agree that pornography portraying sex in combination with violence—sadomasochistic themes, bestiality and portrayals of rape, for example—does contribute to an individual's tendency toward aggression.

Other possible effects include stimulation of rape fantasies, an increased callousness about rape, loss of compassion for women as rape victims, and greater acceptance of so-called rape myths—for example, that women "ask for it."

Another serious concern is that men, women and children of all ages and backgrounds are becoming inured to all kinds of violence, including violence against women. The average 18-year-old, for example, will watch an estimated 16,000 murders on TV in his lifetime. American culture is rife with incidents of violence in favorite pastimes—from sports to rock concerts—and in the language—including vengeful slogans on T-shirts and bumper stickers.

That worries many of those who are touched by the phenomenon—women's advocates, law enforcement officials, mental health practitioners, social workers, shelter

and crisis center workers, as well as the victims and their families.

"We're much too comfortable with violence," said Harry Reis, professor of psychology at the University of Rochester. "There has been a lot of research done on desensitization. Essentially, every time people see or hear of a violent act it makes them that much more used to it. We know that was the case in Rochester with the serial killings. If these were 14-year-old girls from good neighborhoods, imagine the outrage."

The mind also distances itself from fear of crime by blaming the victim.

"The victim gets re-victimized by society, and the scenario gets played out again and again and again," said Kathy Cottrell, assistant director of Rape Crisis Service of Planned Parenthood of Rochester and the Genesee Valley Inc. "The most famous example is the woman jogger (in Central Park) who was brutally raped and very nearly killed. She was blamed for her own sexual assault. I've heard this a million times: 'It would never happen to me. I wouldn't jog there.' Or you'd hear: 'I would never be a victim of a serial killer. I don't walk the streets.' "

Indeed, some women's advocates find disturbing irony in the increase of reported rapes on college campuses.

"Intellectually we try to empower women. We encourage them to make the best of their capabilities. But is it wrong to do that, to encourage them to reach for the brass ring, to give them a false sense of their own capacities, when the world is such a dangerous place? It may come down to a basic, physical kind of danger for which they'll be totally unprepared," said Bonnie Smith, former director of UR's Susan B. Anthony Center for Women's Studies, now with Rutgers University.

"It's also important to acknowledge that this is just another burden that women alone carry. We have to take extra measures to protect ourselves in the world in a way that men don't have to."

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I rise in opposition to this rule. It denies the House a debate. It denies the Congress, the administration, the public any chance for campaign finance reform. It is unfair. It is a wrong rule, and we ought to reject it.

Mr. Speaker, this is the most important reform bill to come before this Congress, and it is getting jammed down our throats. It has never been through a committee. It is a task force bill. It has never had a hearing. It has been changed even since it came out of the Committee on Rules last night. It is an assault on the whole committee system. It should not be up to the floor at all today, with 24 hours' notice. It should be up when we come back in September. There everyone would have a chance to offer an amendment; and a closed rule is a disaster.

These packages cover spending limits, PAC's, franking reform, public financing, soft money, advertising, local funding, independent spending, tax credits for contributors, and more—every one deserving a full debate on its own right.

I have got opinions on all of them. I have got amendments just like the gentleman from Wisconsin [Mr. OBEY], who got his through. I would like to introduce those amendments. I bet eveyone here has an amendment. None of us had that chance.

My dear friend, the gentleman from Illinois [Mr. MICHEL], introduced 10 separate bills for each point in this package. We should be able to debate and vote on each one of those, but this rule forces us to say yes or no on all of them at one time. The same for the task force bill and the Synar-Obey substitute. It is absurd. It is unfair to the House. It is unfair to the public.

Mr. Speaker, this is a terrible rule. I ask the Members of the House to be fair, vote it down, vote no.

My dear friend, the gentleman from Wisconsin [Mr. OBEY], says you cannot operate on an open rule. I heard that yesterday in the civil rights bill.

Mr. Speaker, I went back and checked the history of the civil rights bill. In 1963, when we debated, I was part of that debate. It was an open rule. Ten hours of debate. Then I checked the 1965 voting rights bill, and I was proud of that. That was an open rule. Ten hours of debate.

What has happened to this House? Have we got to have a gag rule here now?

They are moving toward freedom in Lithuania, Czechoslovakia, the Soviet Union, and we are going the other way.

□ 1600

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Speaker, there is an old proverb that ignorance doesn't kill you, but it makes you sweat a lot.

Many of my Democratic colleagues are sweating profusely. There is a strange odor in this Chamber today, and you might ask the question why? They are bringing before this House under a closed rule, crafted by a ruthless exercise of power by the majority, a thing called campaign reform. It increases the opportunity for political action committees from special interest groups to increase the average contribution they now give, three-fourths of which goes to the Democrats, by a 30-percent increase. The majority calls that a great sacrifice.

It provides that a labor union is permitted to contribute 10 times as much money to any given campaign than any one of your individual constituents. That is because the Democrats get 95 percent of the union money.

It throws Federal taxpayer money into partisan political activities for the very first time in the history of this country. And you call that campaign reform?

To expect anybody to believe that is ignorance. The American people are not that stupid. This time you have gone too far, and everybody knows it. Let us vote against this rule.

Mr. QUILLEN. Mr. Speaker, I yield 9 minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Speaker, the gentleman from Michigan [Mr. BONIOR] started the discussion on the rule saying that campaigns cost too much. In the most comprehensive survey to date on American opinion about the question of money and politics, a study financed by, for example, among others, People for the American Way, and we will not mistake them for the Heritage Foundation; it is a comprehensive poll. And, yes, the American people said that campaigns cost too much.

But do you know what they say bothers them more? The American people are more concerned about candidates ending up obligated to special interests.

Mr. Speaker, what we are doing here today in discussing the rule is process. Oftentimes, people say process is not important. I think it is. I think it affects substance, especially when the process we are talking about allows the bill in front of us under the rule, a bill which never went through the committee system. The bill was constructed from a task force which originated from a bipartisan task force under the former Speaker.

But let me tell Members, the bill in front of us is not the product of a bipartisan operation. Now, I happen to think there are a number of areas of campaign finance reform that lend themselves to bipartisanship.

For example, the area of transfers, the area of bundling, the area of soft money, independent expenditures, and the Federal Election Commission reform area. All of those items had been discussed in the bipartisan task force, and we were moving toward a bipartisan solution. But this bill was crafted on a partisan basis.

Now, do not tell me that one cannot do any work around here on a bipartisan basis. I would refer you to something that we passed, in fact, in this Congress, H.R. 2190, in a very controversial area—voter registration. Who were the cosponsors of this measure? Our Speaker, the gentleman from Washington [Mr. FOLEY], the minority whip, the gentleman from Georgia [Mr. GINGRICH], myself, the gentleman from Washington [Mr. SWIFT], leadership from both sides, on a question that is very, very contentious. It passed this House on a bipartisan vote.

Mr. Speaker, it can be done. If not on the major cutting point issues, cer-

tainly in those areas which we consider secondary.

Let us consider the rule, because let me tell you, the Swift bill from yesterday is not the Swift bill we are considering under the rule.

The Swift bill yesterday we can call Swift I, if you will. Under Swift I, which was just crafted last Wednesday, the maximum amount that you could spend in a campaign primary and general was $550,000.

Guess what? Today under Swift II, if you do not get two-thirds of all the votes cast in the primary you get a limit of $715,000. In one day we have moved from a $550,000 limit to a $715,000 limit if you do not get two-thirds of the primary vote.

What else was in Swift I? Criminal penalties for overspending, given the limit that is in the bill. Guess what Swift II contains? No criminal penalties for overspending.

In Swift I, they banned registered lobbyists from bundling. Guess what happens between yesterday and today? Registered lobbyists are not banned from bundling under Swift II.

In Swift I, they banned slate cards financed by corporations, unions, and millionaires. Guess what happens between yesterday and today? Swift I to Swift II? Pretty good government? No. The same old stuff.

That would not have happened if the bill had gone through the committee process, or in the terms of a bipartisan agreement. It happens when you try to move the bill only through your side.

Even if we could not have agreed, and that is where the gentleman from Wisconsin [Mr. OBEY] creates a straw man, we are not necessarily talking about an open rule, we are talking about a fair rule. We do not have to construct a rule in which we go after a key point in your position and you go after a key point in our position. We can have a rule in which we debate the key issues.

For example, should we have a system where individual candidates running for subcommittee chairman can take money out of their campaign fund and give it to someone else in an attempt to get that person to support them for subcommittee chairmanships, as has been done in the past?

You can do that under your bill. Under the Republican substitute, we ban all transfers. No leadership PAC's, no PAC-to-PAC, no candidate-to-candidate. We ban all transfers.

Mr. Speaker, I think we should debate which position we should have for transfers, yours or ours? That does not require an open rule. That requires a fair rule.

What about soft money? Your position is, you say, as you announced, that you ban soft money. Come on, you do not ban soft money. You have your building fund, you have your slush fund. Read the fine print. You do not ban soft money.

Our position on soft money says any money spent in the system not raised under Federal contribution laws is outlawed. We ban soft money.

We could debate the position of soft money, your position on soft money, our position on soft money. We think the Members of this House ought to be able to choose between those positions. We want, not an open rule, but a fair rule.

Mr. Speaker, it seems to me that what we are going to do is ultimately wind up with two choices. We are going to vote on party lines. We are not going to open up the debate, we are not going to resolve fundamental differenccs, and we are going to do the same old thing in the same old way.

It seems to me that if leadership wanted good law, we could have gone through a different route. We could have gone through the committee system. We have produced good law from the committee system, bipartisan law, in tough, controversial areas.

If the Democrat leadership wanted agreement and support from Members on an institutional level, they would have given us a fair rule, not an arrogant, unfair rule. If leadership wanted to avoid the obvious cheap partisanship aspects that will develop from this kind of a rule, they should have given us a different rule on a different day.

Mr. Speaker, what this rule demands is a "no" vote. Otherwise we are going to get bad law, we are going to get a Member revolt, and we are going to get partisanship stirred up again, as has been done in the past.

Mr. Speaker, the vote today is "no" on the wrong rule at the wrong time.

The SPEAKER pro tempore (Mr. HOYER). The gentleman yields back 2 minutes.

Mr. BONIOR. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Speaker, first of all I want to thank everyone that has worked hard on this matter, all the committees and all the personnel. Certainly I think that both sides have some things to add toward improving our institution.

I do want to say, however, that for over a year I have worked vigorously to try to see if I could end something that was and is, I think, very wrong and likely to get worse. That is that at the present time there is no law that prohibits a Member from giving his own money or giving his PAC money to other people in the caucus or wherever he wishes in order to influence votes for himself for being chairman or subcommittee chairman or what have you in this way of leadership attainment.

In fact, that is a practice in the Congress at the present time, as sad as it may be. And it is easily documented, because it is all there; the PAC money is reported from PAC's lists and where the money goes is reported, and the result of the campaigns are reported.

One man, for instance, never gave any very substantial money to other Members until he ran for a leadership spot, and then he gave over $500,000. And that is big money; it is not small money. That is something that ought to stop.

It used to be 10 years ago that it was against the criminal laws of our country, and then it was changed, and it ought to go back. If you stood outside of a polling place or where people are voting and handed everybody a $10 bill that went through and said, "Have a nice day," you would be in jail the next day. But here you can take hundreds of thousands of dollars, or millions of dollars, whatever you want to take from vested interests, special interests, and that is where the money actually is coming from, you can look it up. It is not a dream, you can look it up, the actual contributions, the PAC money and where the money went, it is all a matter of record.

So this is something I am trying to stop, and I did go before the Rules Committee about a year ago and I asked them under the ethics law proposals if I could offer this amendment. And they told me well, no, come back when we are discussing campaign financing. So I did, and then they turned me down again.

It seems to me that there is some validity in the fact that this country has a less democratic government than it had a while back. I am not bitter about it, but the truth is, for various reasons, things that are institutionalized in our country today are not really very healthy, and this is a very unhealthy situation and it ought to be corrected.

I myself am going to vote against the rule. I do not expect the rule to be defeated on the final passage, and I assume that we will get a vote on the bill, and I will vote for it. But I am disappointed that they have not allowed me to bring up my amendment in a way that would get away from some grave dangers in the future. Right now special interests in the United States, big defense contractors and people like that can give money to the PAC of an individual who runs for Congress, and that person can turn around, whether the defense industry likes it or not, and give money to members of the caucus. This is something that I have experienced myself. I know it is true, and I think it is something that ought to stop. I think it is very dangerous to our country to allow this to continue.

I am sorry that the Rules Committee has kept me back from raising this question in any opportunity I have

had on it. I am sure that there is no malicious intent here. We are all trying to work for a better Government. But this ought to be solved, and I had to express how I felt about the fact that I have been refused twice now from offering this amendment which is a very mild amendment.

My law is less severe than the law was 10 years ago when there was a criminal penalty for what I am trying to get at.

I would like to read to you from the 1976 edition of title 18, United States Code, Crimes and Criminal Procedure. Chapter 602 of title 18 stated that it was illegal to take money from other Members. I am reading from this section when I say:

> Whoever, being a Senator or Representative in . . . Congress . . . directly or indirectly solicits, receives, or is in any manner concerned in soliciting or receiving, any . . . contribution for any political purpose whatever, from any other [Senator or Representative], shall be fined not more than $5,000 or imprisoned not more than three years or both.

This was from 18 U.S.C. 602, 1976 edition. This was repealed in 1980.

The U.S. Supreme Court had an opportunity to consider the language of chapter 602 in *U.S.* v. *Wurzbach,* 50 S. Ct. 167 (1930). Wurzbach was decided on the basis of the Federal Corrupt Practices Act, the predecessor to 18 U.S.C. 602. However, the language of the old Federal Corrupt Practices Act and the language of chapter 602 in the 1976 edition of title 18, are almost identical. In Wurzbach, the Supreme Court held that the language concerning the prohibition of soliciting or receiving money was "perfectly intelligible," and prohibited such practices.

A 1980 amendment to the law (Public Law 96-187) eliminated the language prohibiting the receipt of contributions from other Members. According to the amended law, it is unlawful for a candidate for Congress, or a Member of Congress, to solicit contributions from other Members, (18 U.S.C. 602, 1988), but it is all right to accept the money. In my opinion few Members of Congress are aware that it is illegal to solicit contributions from other Members, and in any event, I believe the ban on solicitation is widely violated. While the law allows receipt of money from other Members, I have a hard time distinguishing receipt of funds from solicitation. If it is unlawful to ask for the money, how can it be proper to take the money? How about the legality of one giving it when one seeks an in-House leadership role? Currently that is improper, and clearly should be made illegal.

My concern about Member-to-Member contributions prompted me to write to the Federal Elections Commission asking them for an advisory opinion on the practice of Members donating money to other Members. I was shocked when the FEC advised me that contributions of excess campaign funds to other candidates are permissible, up to $1,000 per election per candidate.

The advisory opinion by the FEC came as such a surprise that I did some research into this matter myself. My research led me to 18 U.S.C. 602, as mentioned earlier, and to our own Code of Ethics (Public Law 96-303). According to the Code of Ethics for Government Service, which is the law today, Members of Congress are prohibited from accepting ". . . benefits under circumstances which might be construed by reasonable persons as influencing the performance of governmental duties." Can any of us deny that accepting money from a fellow Member, when that Member is running for a leadership position, ". . . might be construed by reasonable persons as influencing performance of governmental duties"? I do not think we can however deny that. It appears that the law has been changed so that Members do not face criminal sanctions for accepting money from other Members, but such acts still violate our Code of Ethics.

For all of our rhetoric about ethics in Congress, and how we live our lives in a fish bowl, we are carrying on practices that should not, and would not, be accepted were we not in Congress. One former Member whom we all greatly admire as a person, donated approximately $20,000 of PAC money from 1981 to 1985 to other Members. When he successfully ran for a leadership post his contributions increased 27 fold by distributing $552,500 to other Members. Under the amended chapter 602, that was legal. But should it be?

If one stood outside the voting booth and gave only $10 to every voter in a general election, he would have been accused of vote buying. In *U.S.* v. *Carmichael,* 685 F.2d 903 (4th Cir. 1982), the Fourth Circuit Court of Appeals had an opportunity to rule on a case involving allegations of vote buying. Carmichael, a former South Carolina State senator, was convicted under 42 U.S.C. 1973i(c), for giving voters as little as $10 in an election for local sheriff. Carmichael contended that the law required proof that any vote buying actually affects an election for Federal office. Id., at 908. The court held that it was not necessary for the government to prove that passing the money actually affected a Federal contest. Rather, a violation is established when the activity:

> * * * exposes the federal aspects of the election to the possibility of corruption, whether or not the actual corruption takes place and whether or not the persons participating in such activity had a specific intent to expose the federal election to such corruption or possibility of corruption.–Id., (quoting *United States* v. *Bowman,* 636 F.2d 1003, 1011, 1011 (5th Cir. 1981).

Admittedly, Carmichael was charged, and convicted, under 42 U.S.C. 1973i(c), and not under 18 U.S.C. 602. However, the legal reasoning would seem to me to be identical under either statute.

One of our able and respected members went so far as to send out a letter requesting "a check for $500 to $1,000 so that I can begin to build the active support within the Democratic Members of Congress to win this key leadership position."

Acting out of a sense of party unity, and goodwill, does not negate the intention to influence another members voting habits. Florida's Third District Court of Appeal recently held that "acting out of a misguided sense of public service and [while receiving] no pecuniary benefit himself are irrelevant," and did not indicate that defendant did not possess the requisite criminal intent. *Trushin* v. *Florida,* 384 So. 2d 668 (3d DCA 1980), at 679. In Trushin, defendant offered free legal services if voters would pledge to vote for two particular candidates, neither of whom was the defendant. Despite not having any direct pecuniary gain in the outcome, defendant's conviction was affirmed.

Nor is it necessary to prove that the money affected the result of the election, according to the U.S. District Court for the Western District of Missouri. "[T]he government is not required either to allege or prove that the alleged "vote-buying" either related to or in any way affected the result of any election . . .". *U.S.* v. *Sayre,* 522 F.Supp. 973 (W.D.Mo. 1981), at 974. Where money is involved in elections,

> The election thus becomes a spending contest with the candidate most willing and able to make such payments having the greatest chance of winning. The fact that the person making the payment did not intend to influence the federal election does not change the reality of the threat; the payment itself, not the purpose for which it is made, is the harm and the gist of the offense—Id at 975-6.

Admittedly, Members of Congress may not be so blatant as to specifically tie the donation directly to a vote. However, I believe the intent is clear—it is no small coincidence that a Member contributes far more generously to other Members when the donor is running for leadership positions. Compare the contributions made by Members running for leadership positions to the contributions made by Members not seeking leadership positions. From that we can clearly see the intent—money, if not directly buying votes, unduly influences votes. This makes a mockery of our code of ethics, our laws, our reputations, and Congress itself.

There is a more sinister aspect of this though. Allowing such donations are bad if they are out of Members funds, as it tends to make winners of

rich Members and losers of Members who are not rich. If the money is coming from outside sources, including PAC's, an alarming possibility occurs, outside money is directly influencing the House leadership. Do we want special interest PAC money influencing internal House races? The answer to that can only be a resounding "no." Data on the details of special interest money can be obtained from the Federal Elections Commission. This data further illustrates how special interests influence internal House races.

I think we all realize that Congress has come to some sort of ethics crisis. Whether it is media-induced or not, the general public thinks there is a problem. In the June 12, 1989 issue of Time magazine, Fred Wertheimer, president of Common Cause, is quoted as saying: "Our Nation faces a crisis in the way we govern ourselves. Our Nation's Capital is addicted to special interest influence money. Members of Congress are living professionally and personally off these funds."

With all of the honorable people in Congress, we ought to be able to come up with meaningful and reasonable ethics rules. This issue of Member-to-Member campaign contributions isn't splashed across the front pages of our hometown newspapers now, but it undoubtedly will be if we continue to let it grow. Simply outlawing Member PACs would not work because Members will then give from their personal campaign funds including PAC donations or their personal funds.

We must enact legislation similar to H.R. 83, a bill that I have introduced. This bill would do the following things:

First, prohibit any Senator or Representative, or candidate for such office, from contributing to other Members, and candidates, for Congress. This would include contributions to or from Members' PACs or personal funds, and cover direct and indirect contributions, including those that are earmarked;

Second, prohibit Members from soliciting or accepting contributions with respect to elections for congressional leadership offices. These offices would include the leadership of both the House and Senate committee and subcommittee chairmanships and any other officer of a political party.

I'm sure there are many Members who would like to see this practice stopped. We are now forced to spend hundreds of thousands of dollars, and now sometimes millions, for our House races. To be faced with the additional specter of spending hundreds of thousands of dollars for internal races in addition is absurd and, more importantly, this allowed practice has onerous threats for the purity of our democracy.

Let's move now and nip this in the bud. This is a grand opportunity for change. We should not miss it.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Kalbaugh, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 6, 1990:

H.R. 644. An act to amend the Wild and Scenic Rivers Act by designating segments of the East Fork of the Jemez and Pecos Rivers in New Mexico as components of the National Wild and scenic Rivers System.

On June 18, 1990:

H.J. Res. 516. Joint resolution to designate the week beginning June 10, 1990, as "National Scleroderma Awareness Week."

On June 25, 1990:

H.R. 4612. An act to amend title 11 of the United States Code regarding swap agreements and forward contracts.

On June 28, 1990:

H.J. Res. 575. Joint resolution to designate June 25, 1990, as "Korean War Remembrance Day."

On July 3, 1990:

H.R. 1622. An act to amend title 17, United States Code, to change the fee schedule of the Copyright Office, and to make certain technical amendments.

H.R. 3046. An act to reduce the number of Commissioners on the Copyright Royalty Tribunal, to change the salary classification rates for members of the Copyright Tribunal and the United States Parole Commission, for the Register and Associate Registers of Copyrights, and for the Deputy and Assistant Commissioners of Patents and Trademarks, and for other purposes.

H.R. 3545. An act to amend the Chesapeake and Ohio Canal Development Act to make certain changes relating to the Chesapeake and Ohio Canal National Historic Park Commission.

H.R. 3834. An act to amend the National Trails System Act to designate the route from Selma to Montgomery for study for potential addition to the national trails system.

On July 6, 1990:

H.J. Res. 555. Joint resolution to commemorate the bicentennial of the enactment of the law which provided civil government for the territory from which the State of Tennessee was formed.

H.R. 5075. An act to amend the Rail Passenger Service Act to authorize appropriations for the National Railroad Passenger Corporation, and for other purposes.

On July 12, 1990:

H.R. 5149. An act to amend the Child Nutrition Act of 1966 to provide that the Secretary of Agriculture may not consider, in allocating amounts to a State agency under the special supplemental food program for women, infants, and children for the fiscal year 1991, any amounts returned by such agency for reallocation during the fiscal year 1990 and to allow amounts allocated to a State for such program for the fiscal year 1991 to be expended for expenses incurred in the fiscal year 1990.

On July 13, 1990:

H.J. Res. 599. Joint resolution to designate July 1, 1990, as "National Ducks and Wetlands Day."

On July 16, 1990:

H.R. 1028. An act to require the Secretary of the Treasury to mint coins in commemoration of the Golden Anniversary of the Mount Rushmore National Memorial.

H.R. 4252. An act to authorize the Secretary of the Air Force to purchase certain property at Pease Air Force Base, New Hampshire.

H.R. 4525. An act to amend the Ethics in Government Act of 1978 to increase the authorization of appropriations for the Office of Government Ethics.

On July 17, 1990:

H.R. 2514. An act amending subchapter III of chapter 84 of title 5, United States Code.

On July 27, 1990:

H.R. 2844. An act to improve the ability of the Secretary of the Interior to properly manage certain resources of the National Park System.

On August 2, 1990:

H.J. Res. 591. Joint resolution designating the third Sunday of August of 1990 as "National Senior Citizens Day."

PROVIDING FOR CONSIDERATION OF H.R. 5400, CAMPAIGN COST REDUCTION AND REFORM ACT OF 1990

Mr. QUILLEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho [Mr. CRAIG].

Mr. CRAIG. Mr. Speaker, I stand in strong opposition to the rule.

Mr. Speaker, one of the most common complaints about Congress today is that it has lost touch with the people. That Congress is arrogant. That Congress manipulates legislation and works not for the benefit of the public, but rather for our reelection campaigns.

There is no better example of this manipulation than the rule being currently proposed for our debate on campaign reform.

This bill is meant to clean up our electoral process and restore integrity in Congress. So what does the leadership do? It uses a rule to lock out any meaningful debate and consideration of this all-important issue.

What we will see today on the floor is not an open debate but rather the establishment of each party's election platforms on campaign reform.

The three proposals we will consider, H.R. 5400, the Obey-Synar amendment, and the Republican substitute including H.R. 5050, H.R. 5052, and H.R. 5053 vary greatly in their proposals. If we are to shape and mold a true campaign reform bill, we should have the chance to debate the merits of these provisions independently. We should have the chance to strengthen various proposals and provide more extensive reforms. Instead, we are being given three proposals that cannot be amended, with the message—take it or leave it.

Our legislative process is supposed to engender and promote an open system of debate and consideration in the belief that through such a process our laws are made stronger. This rule is contrary to that belief. The current rule does not allow for true debate. This rule is the Democrats' election platform on campaign reform—it is a sham.

If the Democrat leadership is truly committed to campaign reform, why doesn't it want a full and open debate on this bill? If the Demo-

crat leadership is so confident of its campaign reform measure, what does it have to fear from an open rule?

We have a chance to restore confidence and integrity to our electoral system. If we are going to take meaningful steps to open up our campaign system, let's start with opening up the very debate that will decide this issue. Mr. Speaker, the voters of this Nation deserve an open rule on campaign reform. I urge my colleagues to oppose this rule.

Mr. BONIOR. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentleman from Maryland [Mr. McMILLEN].

Mr. McMILLEN of Maryland. Mr. Speaker, I rise in favor of this rule. There has been a lot of discussion on the other side about how it is unfair, how it is too restrictive, and you know, in my former life as an athlete, when games were close and time was waning, our coach would say to us, "Take your best shot."

That is what this rule is all about. It is saying to our colleagues on the other side of the aisle, take your best shot.

The Democrats are presenting two alternatives. The Republicans are offering an alternative which in essence is a layup in their own basket.

The Republican substitute will have ample opportunity to be debated on the floor of this body. If it is the answer to the problems of campaign finance, then let them sway us with their arguments.

The sad fact is, Mr. Speaker, that it is not the answer to the problems with federal campaign finance. Rather than a genuine attempt at reform, the Republican substitute is a partisan proposal to improve their own chances for election. It is a sham of a proposal in the name of reform, no spending limits, no restrictions on individual expenditures, no decent reform of soft money.

Mr. Speaker, this is a fair rule which guides the debate today, and everybody will have a right to be heard, I urge the rule's adoption.

Mr. BONIOR. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Speaker, I very much thank my friend from Michigan for yielding time to me.

Mr. Speaker, I rise in support of the rule and in support of campaign finance reform. It is my intention to vote for the Synar-Obey substitue, but failing that, certainly the work of our friend from Washington State, which has been noble and heroic, is worth our vote, and I thank him for that effort.

Let me just address myself to a couple of aspects of this debate tonight. One is I do think that spending limits are very much in order. I just completed a primary election in which I forswore the PAC contribution, and in a sense adopted voluntarily a campaign spending limit. It is an interesting experience for those of my colleagues who have not had that opportunity recently, but I can tell them along with the pain and the difficulty and the longer hours and the harder work of campaign financing, of having to raise the money, I think all of us in the new era of campaign finance will be rewarded. We will be rewarded because we will have a better opportunity to work with our people, our constituents: to really get to the grassroots.

Perhaps with the exception of my race back in 1967, when I was elected to the Kentucky State Senate, I do not think I have had a race before my primary this past May that was more of a grassroots effort, our effort was remarkably effective, and it was also a two-way street. I sustained myself and got energy from the people, and I think my supporters got energy from me.

So while I can understand the concerns we all have about going into a new era, to leave the known for the unknown to take a leap in the dark is frightening and does have certain fearsome aspects. But I think in the long haul of it, by adopting today one or the other of the Democratic proposals I think will catapult us into the new era correctly and responsibly, and I think it will be the best time possible for campaigning in our country.

I said earlier today that we have a chance to be heroic, and that this is really a very historic day, on August 3, 1990, we have a chance to do two things that for those of us who stay on in this Chamber will be looked back on with pride. One is the passage of a civil rights act, which we did earlier today and now the passage of a campaign reform act. We come to Congress, I believe, to be not just witnesses to history, which we are, but to be participants and makers of history, which we can be by voting up the rule and by voting up campaign reform.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, many of us here in the House would like to see some sort of change in the campaign finance laws in order to work out a level playing field where all candidates would be able to get a fair start in a campaign.

I introduced H.R. 2589, the Workers Political Rights Act, to do just that. Right now, union leaders funnel an estimated $300 million annually of union members' dues into political campaigns without the consent of the members. More than two years ago, the U.S. Supreme Court ruled in the Beck case that this action was wrong and that workers had the right to prevent being forced to contribute their dues for causes they oppose.

In the Beck case, the Supreme Court decided that workers could only be forced to pay dues for collective-bargaining activities—which in the Beck case, amounted to only 21 percent of the dues. The other 79 percent was being misspent.

My legislation would require that unions notify workers that they have the right to know how much of their dues are being spent on legitimate collective-bargaining activities and how much is being spent for the union leader's political purposes and that they have the right not to contribute dues for these other activities.

Unfortunately, the Democrat leadership has done everything possible to prevent campaign reform legislation from being considered in a democratic manner.

The Democrat leadership has refused to allow the House to debate campaign reform under an open rule which would allow Members to offer amendments to H.R. 5400 which they feel would provide for fair elections.

My legislation has 60 Members of Congress as cosponsors. Those Members represent more than 30 million Americans. This closed and undemocratic rule does not allow me to offer my legislation as an amendment.

The standard line from the Democrat leadership to support a closed and undemocratic rule is that the democratic process had worked well in committee where all sides were heard; that everyone had a chance to offer amendments in committee and that there is no need to rehash everything on the House floor.

Mr. Speaker, I find it outrageous that this legislation, H.R. 5400—which some claim was "immaculately conceived"—is being brought to the House floor without a markup in any committee.

In fact, this legislation which claims to make our Federal elections more free and fair has never been the subject of a single public hearing in the House. What's worse is that the Democrat leadership of the House has sought to abuse the American democratic process and prohibited the House from holding any public hearings on any campaign reform legislation.

That's no hearings on this bill.

That's no hearings on my bill, H.R. 2589.

That's no hearings on any campaign reform legislation.

None!

Zip!

Zilch!

Zero!

The Democrat leadership has made a complete mockery of the democratic process demanded by Americans.

That's an outrage.

Democrats have written a bill that does not protect the political rights of

American workers. The Democrat bill only continues to allow their candidates to receive large amounts of unreported aid from labor bosses which is probably why they refuse to hold public hearings.

This Democrat bill was created in a dark backroom far away from public scrutiny or debate. I don't know how anyone could claim that this bill was immaculately conceived. It was far dirtier than that.

This is a bad bill and a bad rule. It does not allow consideration of the Beck bill. Vote no on the rule.

□ 1620

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Speaker, when I was elected to Congress in 1987, I expected to like and respect my colleagues and to be concerned about the process by which we do our business. The reality is I like my colleagues far more than I ever imagined. I have tremendous respect for the men and women who serve here. But the process is really hurting.

Mr. Speaker, I am fed up as a rank-and-file Member to be told this is a great rule, and we have to accept what was done in one back room or another back room. It isn't a great rule, and it should be defeated. The rank-and-file Members of Congress should be allowed to deal with each issue on its merits.

Mr. Speaker, contribution and spending limits, soft money, PAC's, leadership PAC's, bundling, franking, and public financing all deserve to be individually addressed on their merits. This Congress and the Members here deserve to deal with each issue on its merits. We deserve an open rule.

The SPEAKER pro tempore (Mr. HOYER). The Chair will state that the gentleman from Michigan [Mr. BONIOR] has 14 minutes remaining, and the gentleman from Tennessee [Mr. QUILLEN] has 9 minutes remaining.

Mr. BONIOR. Mr. Speaker, I yield 4 minutes to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Speaker, I rise in support of this rule and the campaign finance reform bill. I know that those who speak against the rule and bill today, as well as the Obey-Synar amendment, would like to try to nitpick this bill to death. But I think finally we have brought to the floor a bill that is wide-ranging in its reforms, that anyone interested in campaign reform can support.

Frankly, I find the most distasteful part of my job having to raise money to run for office every 2 years.

One of the most wonderful things about this bill is that it asks candidates in any race to accept voluntary limits. From my own experience in my first race, I challenged my opponent then to voluntary spending limits. He refused; I was outspent 3 to 1 in my first race. In my second race—in fact, in my first race my opponent raised over $450,000. We did not have the capability to do that.

In my second race, I challenged my opponent at that time to voluntary spending limits. He refused. We were outspent in that race 2½ to 1.

This bill calls for a $550,000 cap on spending in any election cycle. I think one of the best parts of it is that it does try to be regionally sensitive by offering some flexibility, depending on the various primary elections that could occur, depending on how election laws are structured in different regions of the country. But at the same time, it asks for voluntary limits, it also has enough flexibility to try to meet the different regional needs we face as a Nation.

I find as a candidate so often, why am I raising this money? I am raising it to spend it on television.

In my district in Toledo, OH, it costs me, for 30 seconds on a show like "Golden Girls," $3,000.

Now, that is incredible that Members of Congress should have to go into the broadcasting business to be into marketing for ABC, NBC, and CBS when we want to run for office.

I like the proposal in this bill that gives you one free advertisment for every two purchased, especially for those of use who have to run in these various TV markets.

One of the other good aspects of the legislation is that it encourages small donors, expecially those from inside our own State, where people who contribute $50 or less can get a tax credit for those contributions.

I think we should do more to encourage small donor contributions in campaigns.

It also encourages small donor PAC's. So that those PAC's that are allowed to contribute to campaigns can do so.

This bill limits the influence of the large donor PAC's, which is one of the most important actions that this body can take.

One of the other things this bill does is that it limits the role of wealthy contributors.

In my own races, my opponents have been able within the flash of an evening to raise $40,000 in $1,000 contributions in order to make their word heard over television. We have never had that—I think I had one $1,000 contributor in my entire career, and they were related, and they gave me largely a part of their life savings.

I like the limitation on the role of wealthy contributors.

Finally, because it does offer the opportunity for voluntary limits, no longer will I face in my district the type of end-loading of money after October 15 that has so often been forced into my district. Three different times I have had to face lading of money in the last 2 weeks of an election that did not have to be reported until after the election. This rule and this bill are important to clean up campaigns around the country.

Mr. Speaker, I urge support of the rule.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. MILLER].

Mr. MILLER of Ohio. Mr. Speaker, it is ironic that the House just passed legislation that will strengthen minority rights all across our country, but when it comes to protecting minority rights in this body—when we consider important legislation like campaign finance reform—how quickly they forget about such protections. Why are we considering this much-needed campaign reform legislation under a closed rule? Is the leadership frightened that we might improve the bill by making campaigns more competitive, and risking their majority status. It is clear the majority party wrote this bill to protect their power and domination over this body. The political action committee provision of granting higher limits for certain types of PAC's while placing lower limits on others, is coming close to violating the first amendment. This wouldn't have anything to do with the fact that the majority party receives more PAC money from the PAC's they would give this preferential treatment? Don't get me wrong, I am for reducing the increased role political action committee's have played in campaigns in recent years, but I do not favor selective treatment for one PAC over another. I urge my colleagues to vote this rule down, so we can have open debate on this important issue.

Mr. BONIOR. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Speaker, it was kind of interesting listening to this debate. My good friend from Texas, who is on the subcommittee with me, the gentleman from Texas [Mr. DELAY], some remarks that he made, he had some landmark legislation and he had been working very hard on it for a long, long time.

□ 1630

He had 60 cosponsors, which is about a third of the people on this side. The first time I ran for Congress, I came up here like every other challenger, trying to find some PAC money. Most all of the PAC's that were in existence at that particular time were the business PAC's, who did not have a tendency to contribute to Democrats. They did not particularly know what my philosophy was, but I did not get PAC money. Some of the

candidates running against me and the other folks this year not only are collecting PAC money but they are also using their campaign money to support themselves and pay their car payments. If they run long enough, they perhaps can even pay for their houses out of the campaign contributions.

I think where Republicans are amiss is because they do not wish to negotiate and put a cap on campaign. However, I am going to go back to North Carolina. People do not say to me, "Where are you getting this money? Why does it cost so much to run a campaign?" Why do you spend, like the late Sam Irvin said, why does somebody spend $2,000 for a saddle, for a 40-dollar mule? It does not make any sense why they spend so much money.

Now the other thing, I never heard so much caterwauling in my life. I came over here the other morning. Democrats were having a caucus which was very boring, and I was trying to find some action someplace, so I came to this body. They were lined up on this side over here, and guess what? They were chastizing Members for not coming up with a budget package at the summit. They do not have a package at the summit. They did not have a budget when we passed a budget here. They were lined up over here, and they are saying that we have got to address campaign financing. Where is the Democrats' plan on campaign reform? They were lined up over here.

I made a little speech, not a very good one, but I made a little speech on something else. Another gentleman came in, and we had two Democrats that talked about, where is your summit package, which they do not have? Where was your budget when we passed the budget here? They did not have one then.

Now they say this rule is bad. Now it seems to me with all the brilliant minds that we have on this side here, that we could put together, into their campaign package, and have it ready here to offer for this House to consider. We have been working on this. Incidentally, it was not in a closed dark room where we met all over this. We have had more task forces on this campaign reform than anything that has ever taken place, that we are thinking about setting up a full committee and having a full committee chairman just in charge of task force money.

But Members, it is a sham. It is a sham to say this rule is bad, that they need an open rule, to where we can offer what we want to offer. It seems to me we can put a package together even at this later date, we can offer anything that we want in the package. So it seems to me that that is stretching it just a little bit to complain about the rule that is not going to allow Members to do what they want to do. It seems to me it is just a little bit outrageous. Why do we not go ahead and pass this rule and get along with campaign financing, and get out of here and go home?

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, we have heard a lot of revisionist history today on campaign reform. In the three previous contested bills that we passed in 1972, 1974, and 1976, we had extensive hearings by as many as three committees extending over many months. We had amendments within those committees extending over months, and we had a limited closed rule that allowed the House many options to vote on the floor.

To say that we have to work in the dark to pass election reform is the worst kind of hypocrisy in our democracy. I think the people who vote for this rule can truly be ashamed of themselves. It is absolutely ridiculous to give Members one shot and a few minutes of debate on something that all Members admit is complex.

As a matter of fact, in 1979, the two parties working together passed the last election bill that was enacted in this Congress on the suspension calendar and had no trouble getting it enacted. The problem here is that we are afraid to come out in the sunshine. I urge the defeat of the rule.

Mr. Speaker, during my 17 years on the House Administration Committee, I have witnessed some pretty highhanded methods designed to achieve partisan advantage in the drafting of our campaign financing laws. Although we have had many acrimonious struggles over procedures, proposals, and substance, never, even under the most autocratic of chairmen, were the minority denied an opportunity to offer their amendments and participate in the drafting of the legislative proposals.

The drafters of these amendments are correct. Election law is complicated. There are many interactive provisions of the law. Care must be taken so as not to disadvantage one side or the other. I would suggest that no one knows what the consequences of the proposals will be.

Let me set the record straight about the procedures that the House has used to consider amendments to the Federal Election Campaign Act. In 1972, 1974, and 1976, hearings were held by the Committee on House Administration or the Subcommittee on Elections. Lengthy markups were held during which the minority was permitted to offer as many amendments as we could think up. The rules under which the House considered election bills were of the "modified closed" variety, however, the minority was able to offer several amendments.

On several occasions, the rule structuring debate on the Federal Election Commission authorization permitted the House to consider various public financing amendments. In 1979, the Obey-Railsback amendment which is similar to this Obey-Synar amendment was the last one to be considered in this manner.

The last time the House of Representatives considered and passed a bill revising the campaign laws was later in 1979, and that bill was passed under suspension by voice vote. It was eventually signed by President Carter in January 1980.

Mr. Speaker, there are provisions in this bill that involve four committees of the House: House Administration, Energy and Commerce, Post Office and Civil Service, and Ways and Means. I would suggest that many of those Members might like to have a crack at some of these provisions as well.

I would urge the House to reject this rule and put aside this whole process until the committees of jurisdiction have an opportunity to go through the regular process and the minority rights are protected at that level and on the floor. Reforming our election laws is serious business, we should at least give it our careful and thoughtful attention.

Mr. BONIOR. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES of Illinois. Mr. Speaker, I did what the gentleman suggests, I came out of the sunshine to voice my sentiment in support of this rule. I had debated over whether or not I should be in favor of campaign reform as being suggested, but I made up my mind and I stand before Members probably in the most rarest kind of position.

I would not have been here had it not been for the contributions I got through union PAC funds. I do not want to see a situation develop where we cut off the opportunity for people, little people who are willing to give a Member $2 or $3 because it costs me something in the neighborhood of $350,000 to $400,000 to be elected to Congress. That is a lot of money. Those voluntary contributions from people, begging people for money, that made it possible.

I had 13 different opponents who ran in a Democrat primary against me. I am here. I have not had to spend that much since. That was 7 years ago. But this does not only get little people's money, it helps them to participate in the political process. I think Members know that. We have a government of the people, by the people, for the people. We ought to participate in who their leaders should be. This gets them interested in election campaigns when they contribute their money, be it ever so little.

So I want to close by just saying that I am for this campaign reform. I am for this rule. So let Members get on with the business of adopting the rule and discussing the measure as it should be.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Speaker, I am concerned, and I am concerned primarily

because I see a scenario where by the caps we are putting on this, we are setting ourselves up to allow only a multimillionaire to successfully compete with Members. He can do it with the scenario of spending caps, even though if he does not find the $75,000 limit, Members still are limited by PAC contributions. That is significant.

Now, it takes in many districts three-quarters of a million dollars to even make an adequate campaign, and the way it is written, it does not discount the money we spend to collect it. So when we are talking these caps of 550 or the maximum, it does not allow Members to consider the net, so we may only be running with $300,000 or $400,000 against a very bad scenario on the other side as far as a millionaire running. That is what bothers me most about it, though I am for reform and for limitation on PAC contributions. That is a real concern the way it is written, to me.

Mr. QUILLEN. Mr. Speaker, I yield the balance of my time to the minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, the debate on campaign reform reminds me of the words of the great old song "It's still the same old story" but is "not a fight for love and glory." It is a fight for fair and equitable campaign reform.

At the beginning of this Congress I said I had hoped it would be known as the reform Congress. We worked with the majority to produce exemplary ethics reform legislation, Members on both sides of the aisle. I think it was a bipartisan effort all the way around, and a bipartisan vote when we finished. There was one brief shining moment when it seemed that campaign reform would be dealt with in a similar fashion.

That is why we House Republicans sat down earlier and hammered out differences in our caucus, our 25-point Republican campaign reform proposal, the product of those sessions, came out in September 1989. That is when we had everything completed and ready. That is why, in answer to our distinguished Member, the gentleman from North Carolina, where is your plan? Where is your plan? And then get foisted and pushed aside until the closing days of this session when we are so limited, that is our gripe.

□ 1640

The hope for bipartisan cooperation, I guess, flickered, and it dimmed, and it was rather extinguished by the majority's unwillingness to reform, so we have come to this, a battle for the very soul of this institution.

Mr. Speaker, we believe our package will bring congressional elections back to the people. These proposals will keep elections local. They will keep them competitive and honest, and they also will make us more accountable and, as a result, better legislators.

Reasonable people can disagree, and, when it comes to campaign reform, there is considerable room to disagree, which is why we need an open rule to consider the legislation.

The gentleman from Wisconsin [Mr. OBEY], my dear friend, talks about a package here and a package there. But he is a good legislator, and I like to think I have some area of expertise in it. It does not mean that that is the sacrosanct way of making this body work best.

Yes, we begin from some base, but there ought to be some cross-fertilization from time to time. What is good here may not be good there. We will pick it apart on either side.

Every one of these 10 or 11 points of ours, for example, could not be totally agreed on our side. I had to bang heads on our side to get them to agree. Some of them would just as soon split off on a couple of them. I bet some of their folks would like a couple of them, and they would discard others. That is the way I think this system works so much better, and, of course, that is why I have to be opposed to this rule, because it is so structured and restrictive to those of us who would like to have a full blown debate on each of these specific parts that we have been laboring on for so many months.

So, Mr. Speaker, I would urge Members at this time to vote against this rule. It is not appropriate for this particular occasion. Yes, we will have an opportunity. I understand. The Speaker made a commitment to me because we talked earlier about it before the end of July. Well, Mr. Speaker, we are into August, and the Speaker is a man of his word, and we work well together, and I would always give him that opportunity, if we get a commitment, after we get back again, and we are going to be here after the August recess, but to do it in a more orderly fashion where we can really have an open rule, at least some measure of letting individual Members offer amendments. Then I could feel much more comfortable about the rule.

However, Mr. Speaker, as for now, closed as it is, I would urge Members to vote against this rule with the hope and expectation that, if it is defeated, then we come back at another time with more time at our disposal and do this job up right.

Mr. BONIOR. Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Washington [Mr. SWIFT], who has labored so hard and so well on this piece of legislation.

Mr. SWIFT. Mr. Speaker, I am looking forward to the debate that we will be getting into shortly. We will have an opportunity, for example, to deal with the accusation that our soft money proposal does not do the job, where theirs just shuts it off: Except for the loophole that would let every dollar that is currently being shoveled through State parties to be shoveled through county parties. And utterly no disclosure. The Democratic proposal has disclosure on soft money. The debate is going to be very interesting.

Mr. Speaker, the rule is fair. Campaign finance reform needs to be comprehensive, and it needs to be cohesive, and the rule provides each party with the opportunity to provide a reform package that will do that.

Now, Mr. Speaker, I will accept Swift 1 and Swift 2. I think that is fine. I would make a small suggestion on the numbering. I think it should be Swift 1.0 and Swift 1.1, similar to the way they number computer software programs as they improve them. I think that would be fine.

But let us look at numbers in terms of the Republican proposals. They had the 25 points. Then we had 17 of those points left when they introduced their 10 bills. And out of 10 bills, they have now in their substitute offered eight points. Again they lost nine of the other points. This is the incredible shrinking reform proposal.

What does this rule offer the Republicans? An opportunity to offer everything they want put it in a comprehensive package. That is what we have done. They can offer the House everything they want.

Mr. Speaker, that is not a harsh rule, not when we are looking for a comprehensive, cohesive proposal, and yet we find that, after the ambitious 25 points, which shrunk to 17 points, which have now shrunk to 8 points, that I have a suggestion.

Mr. Speaker, the suggestion is: Pass this rule. Hurry to the debate. Pass this rule now because, if we wait until September, the Republican reform proposal will have disappeared altogether.

Mr. BONIOR. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. HOYER). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 232, nays 185, not voting 15 as follows:

[Roll No. 314]

YEAS—232

Ackerman	Hall (OH)	Owens (UT)
Anderson	Hamilton	Pallone
Andrews	Harris	Panetta
Annunzio	Hatcher	Parker
Anthony	Hawkins	Patterson
Applegate	Hayes (IL)	Payne (NJ)
Aspin	Hayes (LA)	Payne (VA)
Atkins	Hefner	Pease
AuCoin	Hertel	Pelosi
Barnard	Hoagland	Penny
Bates	Hochbrueckner	Perkins
Beilenson	Hoyer	Pickett
Berman	Hubbard	Pickle
Bilbray	Huckaby	Poshard
Boggs	Hughes	Price
Bonior	Hutto	Rahall
Borski	Jenkins	Rangel
Bosco	Johnson (SD)	Ray
Boucher	Johnston	Richardson
Boxer	Jones (GA)	Rose
Brennan	Jones (NC)	Rostenkowski
Brooks	Jontz	Rowland (GA)
Browder	Kanjorski	Roybal
Brown (CA)	Kaptur	Russo
Bruce	Kastenmeier	Sabo
Bryant	Kennedy	Sangmeister
Bustamante	Kennelly	Sarpalius
Byron	Kildee	Savage
Cardin	Kleczka	Sawyer
Chapman	Kolter	Scheuer
Clarke	Kostmayer	Schroeder
Clement	LaFalce	Schumer
Coleman (TX)	Lancaster	Serrano
Collins	Lantos	Sharp
Condit	Laughlin	Sikorski
Conyers	Lehman (CA)	Sisisky
Cooper	Lehman (FL)	Skaggs
Costello	Levin (MI)	Skelton
Coyne	Levine (CA)	Slattery
Darden	Lewis (GA)	Slaughter (NY)
de la Garza	Lipinski	Smith (FL)
DeFazio	Lloyd	Smith (IA)
Dellums	Long	Solarz
Derrick	Lowey (NY)	Spratt
Dicks	Manton	Staggers
Dingell	Markey	Stallings
Dixon	Martinez	Stark
Dorgan (ND)	Matsui	Stenholm
Downey	Mavroules	Stokes
Durbin	Mazzoli	Studds
Dwyer	McCloskey	Swift
Dymally	McCurdy	Synar
Dyson	McDermott	Tallon
Eckart	McHugh	Tauzin
Edwards (CA)	McMillen (MD)	Taylor
Engel	McNulty	Thomas (GA)
Erdreich	Mfume	Towns
Espy	Miller (CA)	Traxler
Evans	Mineta	Udall
Fascell	Moakley	Unsoeld
Fazio	Mollohan	Valentine
Feighan	Montgomery	Vento
Flake	Moody	Visclosky
Filppo	Morrison (CT)	Volkmer
Foglietta	Mrazek	Walgren
Ford (TN)	Murphy	Waxman
Frank	Murtha	Weiss
Frost	Nagle	Wheat
Gaydos	Natcher	Whitten
Gejdenson	Neal (MA)	Williams
Gephardt	Neal (NC)	Wilson
Geren	Nowak	Wise
Gibbons	Oakar	Wolpe
Glickman	Oberstar	Wyden
Gonzalez	Obey	Yates
Gordon	Olin	Yatron
Gray	Ortiz	
Guarini	Owens (NY)	

NAYS—185

Alexander	Boehlert	Clay
Archer	Broomfield	Clinger
Armey	Brown (CO)	Coble
Baker	Buechner	Coleman (MO)
Ballenger	Bunning	Combest
Bartlett	Burton	Conte
Barton	Callahan	Coughlin
Bateman	Campbell (CA)	Courter
Bennett	Campbell (CO)	Cox
Bentley	Carper	Craig
Bereuter	Carr	Crane
Bliley	Chandler	Dannemeyer
Davis	Kyl	Roth
DeLay	Lagomarsino	Rowland (CT)
DeWine	Leach (IA)	Saiki
Dickinson	Lent	Saxton
Donnelly	Lewis (CA)	Schaefer
Dornan (CA)	Lewis (FL)	Schiff
Douglas	Lightfoot	Schneider
Dreier	Livingston	Schulze
Duncan	Lowery (CA)	Sensenbrenner
Early	Lukens, Donald	Shaw
Edwards (OK)	Machtley	Shays
Emerson	Madigan	Shumway
English	Marlenee	Shuster
Fawell	Martin (IL)	Skeen
Fields	Martin (NY)	Slaughter (VA)
Fish	McCandless	Smith (NE)
Frenzel	McCollum	Smith (NJ)
Gallegly	McCrery	Smith (TX)
Gallo	McDade	Smith (VT)
Gekas	McEwen	Smith, Denny (OR)
Gillmor	McGrath	Smith, Robert (NH)
Gilman	McMillan (NC)	Smith, Robert (OR)
Gingrich	Meyers	Snowe
Goodling	Michel	Solomon
Goss	Miller (OH)	Spence
Gradison	Miller (WA)	Stangeland
Grandy	Molinari	Stearns
Grant	Moorhead	Stump
Green	Morella	Sundquist
Gunderson	Morrison (WA)	Tanner
Hammerschmidt	Myers	Tauke
Hancock	Nielson	Thomas (CA)
Hansen	Oxley	Thomas (WY)
Hastert	Packard	Torricelli
Hefley	Parris	Traficant
Henry	Pashayan	Upton
Herger	Paxon	Vander Jagt
Hiler	Petri	Vucanovich
Holloway	Porter	Walker
Hopkins	Quillen	Walsh
Horton	Ravenel	Weber
Houghton	Regula	Weldon
Hunter	Rhodes	Whittaker
Hyde	Ridge	Wolf
Inhofe	Rinaldo	Wylie
Ireland	Ritter	Young (AK)
Jacobs	Roberts	Young (FL)
James	Roe	
Johnson (CT)	Rogers	
Kasich	Rohrabacher	
Kolbe	Ros-Lehtinen	

NOT VOTING—15

Bevill	Leath (TX)	Roukema
Bilirakis	Luken, Thomas	Schuette
Crockett	Nelson	Torres
Ford (MI)	Pursell	Washington
Hall (TX)	Robinson	Watkins

□ 1706

The Clerk announced the following pairs:

On this vote:

Mr Nelson of Florida for, with Mr. Pursell against.

Mr. Ford of Michigan for, with Mr. Roukema against.

Mr. BAKER and Mr. BARTLETT changed their votes from "yea" to "nay."

Mr. YATES changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION TO ADJOURN

Mr. WALKER. Mr. Speaker, I offer a privileged motion.

The SPEAKER pro tempore (Mr. TALLON). The Clerk will report the privileged motion.

The Clerk read as follows:

Mr. WALKER moves that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. WALKER].

Mr. GEPHARDT. Mr. Speaker, I move to table the motion.

The SPEAKER pro tempore. The Chair will state to the gentleman that the motion is not subject to a motion to table.

The question is on the motion to adjourn.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 129, nays 275, not voting 28, as follows:

[Roll No. 315]

YEAS—129

Alexander	Gunderson	Ravenel
Archer	Hancock	Rhodes
Armey	Hansen	Ridge
Baker	Hastert	Ritter
Ballenger	Hefley	Roberts
Bartlett	Henry	Rogers
Barton	Herger	Rohrabacher
Bateman	Hiler	Ros-Lehtinen
Bliley	Holloway	Rowland (CT)
Broomfield	Hopkins	Schaefer
Bunning	Hunter	Schiff
Burton	Hyde	Schulze
Callahan	Inhofe	Sensenbrenner
Chandler	Ireland	Shaw
Clinger	James	Shumway
Coble	Johnson (CT)	Shuster
Coleman (MO)	Kasich	Skeen
Combest	Kolbe	Slaughter (VA)
Conte	Kyl	Smith (VT)
Coughlin	Lagomarsino	Smith, Denny (OR)
Courter	Lent	Smith, Robert (NH)
Cox	Lewis (CA)	Smith, Robert (OR)
Craig	Lewis (FL)	Solomon
Crane	Lightfoot	Spence
Dannemeyer	Livingston	Stearns
DeLay	Lowery (CA)	Stump
Dickinson	Lukens, Donald	Sundquist
Dornan (CA)	Marlenee	Tauke
Douglas	Martin (NY)	Thomas (CA)
Dreier	McCandless	Thomas (WY)
Duncan	McCollum	Upton
Early	McCrery	Vander Jagt
Edwards (OK)	McEwen	Vucanovich
Fawell	McMillan (NC)	Walker
Fish	Miller (OH)	Walsh
Frenzel	Miller (WA)	Weber
Gallegly	Molinari	Weldon
Gekas	Moorhead	Whittaker
Gingrich	Myers	Wolf
Goodling	Oxley	Wylie
Goss	Parris	Young (AK)
Gradison	Paxon	
Grandy	Perkins	
Grant	Quillen	

NAYS—275

Ackerman	Boehlert	Campbell (CA)
Anderson	Boggs	Campbell (CO)
Andrews	Bonior	Cardin
Annunzio	Borski	Carper
Anthony	Bosco	Carr
Applegate	Boucher	Chapman
Aspin	Boxer	Clarke
Atkins	Brennan	Clay
AuCoin	Brooks	Clement
Barnard	Browder	Coleman (TX)
Bates	Brown (CA)	Collins
Beilenson	Brown (CO)	Condit
Bennett	Bruce	Conyers
Bentley	Bryant	Cooper
Bereuter	Buechner	Costello
Berman	Bustamante	Coyne
Bilbray	Byron	Darden

Davis	Kolter	Ray
DeFazio	Kostmayer	Regula
Derrick	LaFalce	Richardson
DeWine	Lancaster	Rinaldo
Dicks	Lantos	Roe
Dingell	Laughlin	Rose
Dixon	Leach (IA)	Rostenkowski
Donnelly	Lehman (CA)	Roth
Dorgan (ND)	Lehman (FL)	Rowland (GA)
Downey	Levin (MI)	Roybal
Durbin	Levine (CA)	Russo
Dwyer	Lewis (GA)	Sabo
Dymally	Lipinski	Saiki
Dyson	Lloyd	Sangmeister
Eckart	Long	Sarpalius
Edwards (CA)	Lowey (NY)	Savage
Emerson	Machtley	Sawyer
Engel	Madigan	Saxton
English	Manton	Scheuer
Erdreich	Markey	Schneider
Espy	Martinez	Schroeder
Evans	Matsui	Schumer
Fascell	Mavroules	Serrano
Fazio	Mazzoli	Sharp
Feighan	McCloskey	Shays
Flake	McCurdy	Sikorski
Flippo	McDade	Sisisky
Foglietta	McDermott	Skaggs
Ford (TN)	McHugh	Skelton
Frost	McMillen (MD)	Slattery
Gallo	McNulty	Slaughter (NY)
Gaydos	Meyers	Smith (FL)
Gejdenson	Mfume	Smith (IA)
Gephardt	Michel	Smith (NJ)
Geren	Miller (CA)	Smith (TX)
Gibbons	Mineta	Snowe
Gillmor	Moakley	Spratt
Gilman	Moilohan	Staggers
Glickman	Montgomery	Stallings
Gonzalez	Moody	Stark
Gordon	Morella	Stenholm
Green	Morrison (CT)	Stokes
Guarini	Morrison (WA)	Studds
Hamilton	Mrazek	Swift
Hammerschmidt	Murphy	Synar
Harris	Murtha	Tallon
Hatcher	Nagle	Tanner
Hawkins	Natcher	Tauzin
Hayes (IL)	Neal (MA)	Taylor
Hayes (LA)	Neal (NC)	Thomas (GA)
Hefner	Nowak	Torres
Hertel	Oakar	Torricelli
Hoagland	Oberstar	Towns
Hochbrueckner	Obey	Traficant
Horton	Olin	Traxler
Houghton	Ortiz	Udall
Hoyer	Owens (NY)	Unsoeld
Hubbard	Owens (UT)	Vento
Huckaby	Packard	Visclosky
Hughes	Pallone	Volkmer
Hutto	Panetta	Walgren
Jacobs	Pashayan	Washington
Jenkins	Patterson	Waxman
Johnson (SD)	Payne (NJ)	Weiss
Johnston	Payne (VA)	Wheat
Jones (GA)	Pease	Whitten
Jones (NC)	Pelosi	Williams
Jontz	Penny	Wilson
Kanjorski	Pickett	Wise
Kaptur	Pickle	Wolpe
Kastenmeier	Porter	Wyden
Kennedy	Poshard	Yates
Kennelly	Price	Yatron
Kildee	Rahall	Young (FL)
Kleczka	Rangel	

NOT VOTING—28

Bevill	Hall (TX)	Robinson
Bilirakis	Leath (TX)	Roukema
Crockett	Luken, Thomas	Schuette
de la Garza	Martin (IL)	Smith (NE)
Dellums	McGrath	Solarz
Fields	Nelson	Stangeland
Ford (MI)	Nielson	Valentine
Frank	Parker	Watkins
Gray	Petri	
Hall (OH)	Pursell	

□ 1726

Mr. KLECZKA changed his vote from "yea" to "nay."

Mr. PAXON changed his vote from "nay" to "yea."

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

CAMPAIGN COST REDUCTION AND REFORM ACT OF 1990

The SPEAKER pro tempore (Mr. OBERSTAR). Pursuant to House Resolution 453 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5400.

□ 1727

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5400) to amend the Federal Election Campaign Act of 1971 and certain related laws to clarify such provisions with respect to Federal elections, to reduce costs in House of Representatives elections, and for other purposes, with Mr. HOYER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Washington [Mr. SWIFT] will be recognized for 1 hour, and the gentleman from California [Mr. THOMAS] will be recognized for 1 hour.

The Chair recognizes the gentleman from Washington [Mr. SWIFT].

□ 1730

Mr. SWIFT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the issue of campaign finance reform has been argued and discussed by the media for months, has recently been debated and acted upon in the Senate and is now before the House.

This is a highly personal issue to all of us. We are all experts on this subject. We ran and were elected under a certain set of laws and it is difficult to conceive changing those rules.

But times change, events occur which promote change, and I think it is evident to many of us, indeed perhaps to the overwhelming majority of us, that the laws and procedures under which congressional elections are financed need review and refinement.

The House has gone this route before. We passed the Federal Election Campaign Act in 1971 and have amended it several times over the years. That was a far-reaching act, a major reform. If the provisions of that act were in effect now, we would have many fewer concerns about changing the legislation. Unfortunately, as we all know, the Supreme Court struck the key section of the act—the spending limit section. Thus, the careful balanced reform was thrown out of kilter, leaving us with open-ended spending.

Without a spending limit, the cost of election campaigning has gone wild; the pressure to raise and spend enormous sums accelerates. The average incumbent spent about twice in 1988 what he or she spent in 1980. It's absurd and we all know it.

This great rush of money into the election process has brought on a rash of problems, some real, some potential. The movement toward reform has been growing over the past several years and has obviously peaked in this Congress.

The action by the Senate in passing its version of campaign reform merely underscores the necessity for the House to act, and to act now.

In January 1989, I, along with Chairman ANNUNZIO and others, introduced H.R. 13 and Tony Coelho, MIKE SYNAR, and others introduced H.R. 14, both comprehensive campaign reform packages. So the Democrats immediately went on record as wanting to move ahead on this issue in the 101st Congress.

In February of last year, Speaker Jim Wright and minority leader BOB MICHEL appointed a bipartisan task force, eight Democrats and eight Republicans, to try to work out a comprehensive, bipartisan reform package. I was pleased to cochair this task force with my good friend and very able colleague, GUY VANDER JAGT. The task force held a series of meetings; the atmosphere was positive and constructive.

As the task force meetings progressed, it became obvious that while there was basic conceptual agreement on a number of items within an overall package, Republicans and Democrats had very different views on the definition of campaign finance reform, and that a bipartisan comprehensive bill was not going to be attainable under those circumstances. I had many meetings with Mr. VANDER JAGT and our staffs were in constant touch, but the philosophical gap proved too great.

Rather than let the issue drop, both parties continued to work, independently, on the issue, and the result of that effort is before us today.

H.R. 5400 is major reform; it's comprehensive; it's workable; it's good public policy.

First, and most important, it puts a cap on campaign spending. Because of the Supreme Court decision, this cap must be voluntary, so there are inducements in reduced broadcasting and postage costs to make opting into the program attractive.

We establish a basic spending limit of $550,000 for an election cycle, with a primary election spending limit of $300,000. To compensate for the potential financial disadvantage which might occur in a close, hotly contested

primary race, we introduced a 30-percent general election spending bonus for those primary winners who receive less than two-thirds of the vote. The $550,000 general limit, however, remains in place. The bill has a special provision for runoff elections and places a $75,000 limit on the personal contribution of participating candidates.

Much attention has been focused on political action committees and a massive effort has been made to discredit all PAC's.

Some have conveniently forgotten that political action committees were established as reforms—as part of the effort to provide the fullest possible disclosure. When a candidate receives a PAC contribution it's on the record and everyone knows just where that contribution is coming from. That is not always true with individual contributions. Federal law only requires the minimum amount of identification on individual contributions.

Many political action committees provide an ideal vehicle for constituents of modest means to contribute something and play a role in the political process. Some PAC's have thousands of contributors who can only give a small amount of money, others have very few members who contribute the maximum, so all PAC's are not equal.

H.R. 5400 recognizes this disparity. First, it sets a 50 percent, or $275,000, aggregate limit on PAC contributions which a candidate may accept. Second, it establishes small donor committees, which are political committees which raise their funds exclusively from individual contributors of $240 or less per year. These small donor committees would be able to contribute $5,000 per election. All other PAC's not limiting their fundraising to individual contributions of $240 or less per year would be allowed to contribute only $1,000 per election. H.R. 5400 also puts an end to so-called leadership PAC's.

The outrageous raising and spending of soft money in the 1988 Presidential election, clearly in violation of the intent of the law, has focused attention to that area. H.R. 5400 closes the soft money loophole in current law by prohibiting Presidential candidates who accept public funds from raising or receiving any soft money. The bill goes further, and bans the use of political party soft money for the purpose of influencing Federal elections. Finally, the bill requires full reporting of all soft money receipts and disbursements. The problems related to soft money are dealt with firmly and effectively in H.R. 5400.

The practice of bundling campaign contributions has gotten totally out of hand, and, again, HR. 5400 deals effectively with this problem by prohibiting bundling by political action committees and parties.

Independent expenditures have been a problem for the other body and are a growing concern in House contests. Our bill tightens the regulations on independent expenditures by prohibiting the costs of such expenditures from being underwritten by the treasuries of corporate, union, or trade association PAC's. The bill also requires additional disclaimers to make certain the public knows that these messages are totally unrelated to a candidate.

Some messages need to be more closely related to a candidate, and those have to do with negative advertisements. H.R 5400 requires that all authorized campaign advertisements clearly state that the candidate takes full responsibility for the message.

To encourage those who wish to contribute to a congressional campaign but feel overwhelmed by the flood of money that currently washes through our political system, our bill allows a 100-percent tax credit for in-State contributions of $50 or less to candidates abiding by the spending limits.

There are other important reforms in this legislation which will be discussed as we go along in the debate. In general, the bill contains all the items of conceptual agreement reached by the bipartisan task force. This is a giant step forward. H.R. 5400 is good for the country, is good for the House, and is good for each of us individually. I urge all of my colleagues to vote for H.R. 5400.

Mr. Chairman, I insert with my statement a summary and section-by-section analysis of H.R. 5400.

THE CAMPAIGN COST REDUCTION AND REFORM ACT OF 1990

Amendment in the Nature of a Substitute to H.R. 5400, Made in Order as Original Text

SECTION-BY-SECTION ANALYSIS

Section 1: Short Title.—This Act may be cited as the Campaign Cost Reduction and Reform Act of 1990.

TITLE I—AMENDMENTS TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

"Definition of a Qualifying House of Representative Candidate"

Sec. 101 defines the term "qualifying House of Representatives candidate" to mean a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, whose principal campaign committee includes in its statement of organization a declaration of intention under section 303(b)(7) and, by reason of such declaration, to abide by the expenditure limitations specified in section 315(h) or section 315(i)

"Amendments to Definition of Contribution"

Sec. 102(a)(1) amends the definition of the term "anything of value" to require the value of campaign contributions to be determined by the higher of: (1) cost to the person making the contribution; (2) fair market value on the date of acquisition by the person making the contribution; (3) fair market value on the date of the contribution. This provision prevents the Act's contribution limitations from being circumvented through undervaluation of in-kind contributions.

Secs. 102(a)(2) and 102(a)(3) provide that any gift, subscription, loan, advance, or deposit of money or anything of value is a contribution is made by any person for the purpose of encouraging any specific individual who is not a candidate to become a candidate. This provision subjects committees formed to encourage an individual to run for office to the reporting and contribution strictures under the Act.

Sec. 102(b) clarifies current law by deleting references to the term "direct mail" in certain party-building exclusions to the definition of "contribution" and inserting "mail" in lieu thereof.

Sec. 102(c) excludes from the definition of contribution the value of any advertising rate reduction made available to a qualifying House of Representatives candidate by a newspaper, magazine, broadcasting station, or cable system, if such reduction is made available to any qualifying House of Representatives candidate during the 90-day period before the election involved. Advertising rate reductions provided pursuant to this provision would be exempt from the Act's prohibition of corporate political contributions.

"Amendments to Definition of Expenditures"

Sec. 103(a)(1) amends the definition of the term "anything of value" to require the value of campaign expenditures to be determined by the higher of: (1) cost to the person making the expenditure; (2) fair market value on the date of acquisition by the person making the expenditure; (3) fair market value on the date of the expenditure. This provision prevents the undervaluing of in-kind expenditures.

Secs. 103(a)(2) and 103(a)(3) provide that any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value is an expenditure if made by any person for the purpose of encouraging any specific individual who is not a candidate to become a candidate. This provision reinforces Sec. 102(a).

Sec. 103(b) amends the Act by deleting references to the term "direct mail" in certain party-building exclusions to the definition to "expenditure" and inserting "mail" in lieu thereof. The section clarifies current law.

"Registration as Qualifying House of Representatives Candidate"

Sec. 104(a) provides, in the case of a principal campaign committee of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, for registration as a qualifying House of Representatives candidate by declaration of intention to receive broadcast time under section 315(c) of the Communications Act of 1934 or to receive reduced postal rates under section 3629 of title 39, United States Code.

Sec. 104(b) allows a candidate for the House of Representatives to amend the statement of organization in order to include such declaration, if the amendment is filed under section 302(g) not later than the day the candidate becomes a candidate for purposes of State law. Declarations of intention to receive broadcast and postal rate benefits, whether in the original filing or by amendment, may not be revoked.

"Restrictions on Control of Certain Types of Political Committees by Candidates for Federal Office"

Sec. 105 prohibits candidates for Federal office from establishing, maintaining, or controlling a political committee other than an authorized campaign committee or a committee of a political party. In addition, the section provides that for one year after the effective date of this Act, any such political committee may continue to make contributions. At the end of that period such political committee shall disburse all funds by one or more of the following means: Making contributions to a entity qualified, under section 501(c)(3) of the Internal Revenue Code of 1986, or making a contribution to the treasury of the United States; or, contributing to the national, State or local committees of a political party, or, making contributions not to exceed $1,000 to any candidate for elective office.

"Amendment to Definition of Independent Expenditure"

Sec. 106 amends the F.E.C.A. of 1971 to clarify that an expenditure is not an independent expenditure if (A) there is any arrangement, coordination, or direction with respect to the expenditure between the candidate and the person making the expenditure; or (B) with respect to the election, the person making the expenditure is authorized to solicit contributions or make expenditures on behalf of the candidate or an authorized committee of the candidate, is an officer of an authorized committee of the candidate, or receives any compensation or reimbursement from the candidate or an authorized committee of the candidate. This section prohibits coordination between persons or committees making independent expenditures and any Federal candidate.

"Amendments Relating to Limitation on Expenditures in a Single State by Candidates for Presidential Nomination Who Accepts Amounts from the Presidential Primary Matching Payment Account"

Sec. 107 eliminates state-by-state expenditure limitations for presidential candidates who accept amounts from the presidential primary matching payment account. This provision in no way changes the overall, national expenditure limitation for presidential candidates who accept public funding.

"Limitations on Expenditures by Qualifying House of Representatives Candidates"

Section 108 provides for limitations on expenditures by qualifying House of Representatives candidates.

Sec. 108(h) prohibits a qualifying House of Representatives candidate from making expenditures derived from personal funds of such candidate in excess of $75,000 with respect to an election for the Office of Representative in, or Delegate or Resident Commissioner to, the Congress.

Sec. 108(i)(1) prohibits, except as provided in paragraph (2), (3), or (4), a qualifying House of Representatives candidate from spending more than $550,000 with respect to a general or special election (and any primary election relating to such general or special election); $300,000 with respect to a primary election for such office, except that, if under State law, a candidate who receives a majority of votes in the primary election is elected to the office involved and there is no general election, in which case the primary election spending ceiling would be $400,000; or $100,000 with respect to a runoff election for such office.

Sec. 108(i)(2) provides that if any candidate in an election referred to in paragraph (1) other than a qualifying House of Representatives candidate receives contributions or makes expenditures aggregating more than $200,000, such candidate shall so notify the Commission within 72 hours and the limitation under that paragraph shall not apply to any candidate in the election.

Sec. 108(i)(3) provides for indexing of the expenditure limitations established by paragraph (1). Such adjustments are to be rounded to the nearest $1,000 and shall be made with respect to each 4-year period beginning after calendar year 1992. The price index average shall be computed for each 4-year period ending before a presidential election, with the applicable base period being the 4-year period ending with calendar year 1992.

Sec. 108(i)(4) provides that if, in a primary election with respect to a general election, a qualifying House of Representatives candidate receives the greatest number of votes and becomes the nominee of the political party involved and receives less than 66.7 percent of the total number of votes cast in the primary election, the limitation applicable to the qualifying House of Representatives candidate under paragraph (1)(A) shall be increased by 30 percent, except that the total of expenditures of the candidate with respect to the general election may not exceed $550,000.

Sec. 108(i)(5) provides that in computing expenditures for purposes of paragraph (1), no amount of legal or accounting fees shall be taken into account.

Sec. 108(i)(6) provides that in computing expenditures for purposes of paragraph (1), expenditures for broadcasting, newspapers, magazines, billboards, mail, and similar types of general public advertising shall be allocated to the election time period during which the advertising appears, and other expenditures shall be allocated to the election period in which the expenditure is made.

Sec. 108(j) requires any qualifying House of Representatives candidate who makes expenditures that exceed a limitation under subsection (h) or subsection (i) by 5 percent or less to pay to the FEC, for deposit in the Treasury as miscellaneous receipts, an amount equal to the amount of the excess expenditures. For overspending by 5 percent and less than 10 percent, the provision requires qualifying candidates to pay the FEC an amount equal to three times the amount of the excess expenditures. For overspending by 10 percent or more, qualifying candidates must pay the FEC an amount equal to three times the amount of the excess expenditures plus a civil penalty in an amount determined by the Commission.

"Limitation on Acceptance of Political Committee Contributions by House of Representative Candidates"

Sec. 109 amends the Federal Election Campaign Act of 1971, as amended by sections 107(b) and 108 of this Act, to prohibit a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, and the authorized political committees of such candidate, from accepting any contribution from a political committee with respect to a general or special election (and any primary election relating to such) for such office which exceeds 50 percent of the expenditure limitation specified in subsection (i)(1)(A) when added to the total of contributions previously made by political committees to such candidate and the authorized political committees of such candidate with respect to the general or special election (and any relating primary). In addition, the section establishes a cap on political committee contributions of 50% of the limitation specified in subsection (i)(1)(C) for runoff elections.

These limitations on contributions from political committees apply both to qualifying and nonqualifying House of Representatives candidates.

"All Contributions in Elections for Federal Office to Be Subject to the Federal Election Campaign Act of 1971"

Sec. 110 amends the Act to prohibit candidates from accepting any contribution with respect to an election for Federal office if the gift, subscription loan, deposit, thing of value, or payment constituting the contribution is given or made with respect to an election for State office or otherwise is not subject to the Act.

"Intermediary or Conduit Amendments"

Sec. 111 provides for the counting of campaign contributions against the Federal contribution limitations of both original donors and political committees acting as intermediaries for such funds, thereby preventing the Act's strictures from being circumvented.

Sec. 111(B) would limit the bundling of all contributions in the form of a check or other negotiable instrument made payable to a conduit to the amount of the contribution limitation of the individual or committee serving as intermediary. It also specifies that bundled contributions funnelled through a political committee or its officers, employees or agents, or other agents of a connected organization acting in its behalf, shall be counted against the contribution limit of the conduit without regard to whom the contribution is made payable.

Sec. 111(C) provides exemptions for bona fide efforts conducted solely for the purpose of sponsorship of a fundraising reception, dinner, or event by two or more candidates, two or more national, State, or local committees of a political party acting on their own behalf, and fundraising efforts for the benefit of a candidate.

"Encouragement Amounts to be Treated as Contributions"

Sec. 112 amends the Act to require a contribution described in section 301(8)(A)(iii) to be treated, with respect to the individual involved, as a contribution to a candidate, whether or not such individual becomes a candidate. This provides for the treating of amounts donated to prospective candidates for Federal office as contributions.

"Contributions to Candidates from State and Local Committees of Political Parties to be Aggregated"

Sec. 113 further amends section 315(a) of the Federal Election Campaign Act of 1971, as amended by sections 111 and 112, to prohibit a candidate for Federal office from accepting, with respect to an election, any contribution from a State or local committee of a political party (including any subordinate committee of such committee), if such contribution, when added to the total of contributions previously accepted from all such committees of that political party, exceeds a limitation on contributions to a candidate under this section. This section prevents State or local party committees from acting as conduits for the circumvention of contribution limitations and reporting requirements under the Act.

"Application of Limitations and Reporting Requirements to Certain Amounts Not Defined As Contributions or Expenditures Under the Federal Election Campaign Act of 1971"

Sec. 114 amends the Act to provide that any amount received or used by a State or local committee of a political party for an excluded payment shall be subject to limitation and reporting under the Act as if such amount was a contribution or expenditure, as applicable. No part of such amount may be allocated to a non-Federal account or otherwise maintained in, or paid from, an account that is not subject to this Act.

This section ends the practice by which contribution and expenditure limitations for presidential candidates can be circumvented through the use of so-called "soft money", thus ensuring that activities which promote a presidential candidate are paid for with funds in compliance with the Act. It does not prohibit the distribution of sample ballots or printed slate cards listing three or more candidates.

"Provisions Relating to Separate Segregated Funds"

Sec. 115 amends section 316(b)(2) of the Act to permit corporations, labor organizations, membership organizations, cooperatives and corporations without capital stock to defray the costs of administration and solicitation of contributions to separate segregated funds, if amounts disbursed from such funds are used solely for communication or campaign costs under subparagraph (A) or (B), contributions with respect to elections for Federal or State office, or non-election related purposes.

The provision in no way prohibits the establishment of separate segregated funds for other political purposes but put such funds on the same financial footing as other political committees if these funds engage in broader political activities.

"Disclosure in Solicitations by Certain Unauthorized Committees"

Sec. 116 requires communications by political committees not authorized by any candidate (other than political party committees) to include a clear statement that neither the committee nor the communication is authorized by a candidate or under the control of a candidate. This section is designed to prevent misleading solicitation practices by unauthorized organizations.

"Specific Disclosure Requirements for Certain Communications"

Sec. 117 amends 2 U.S.C. 441d to require any authorized political communication broadcast over a television station to include a readily identifiable photographic or similar image of the candidate, shown for at least 4 seconds and of sufficient size to cover at least one-third of the television screen, accompanied by statement that the candidate takes full responsibility for the advertisement's content. The section also requires any unauthorized political communication which is televised to display a continuous statement, of sufficient size to be clearly visible to the viewer, identifying the person paying for the advertisement throughout the communication's duration. Political communications through newspapers, direct mail, radio and other media would be required to include similar identifying information and, in the case of authorized communications, a statement indicating candidate acceptance of full responsibility.

"Prohibition of False Representation to Solicit Contributions"

Sec. 118 prohibits any person from soliciting contributions by falsely representing himself as a candidate or as an agent of a candidate, a political committee, or a political party.

"Contribution Limitations for Small Donor Political Committees; Elimination of Special Contribution Limitations for Multicandidate Political Committees"

Sec. 119 eliminates special contributions limitations for "multicandidate" political committees (commonly referred to as "PACs") and, in lieu thereof, provides for the establishment of "small donor" political committees, meaning broad-based political organizations which restrict their fundraising to individual contributions of $240 or less per year.

Sec. 119(a) provides that a small donor political committee may make contributions to any candidate for Federal office and the authorized political committees of such candidate with respect to an election which, in the aggregate, do not exceed $5,000.

Sec. 119(b) defines the term "small donor political committee" to mean a political committee that has been registered under section 303 for at least 6 months, has received contributions from more than 50 persons, has made contributions to 5 or more candidates for Federal office, accepts contributions only from individuals, and does not accept contributions totaling more than $240 from any single individuals in a calendar year.

Sec. 119(c), a conforming amendment, restricts the ability of a political committee to donate, with respect to an election, more than $1,000 unless the committee qualifies as a "small donor" political committee, in which case the contribution limitations established above in Sec. 119(a) would apply.

"Clarification Relating to Certain Contributions"

Sec. 120 amends the Act to make clear that a gift or other item referred to in 301(8)(A)(i) is considered for the purpose of influencing an election for Federal office if it is given in response to a solicitation that states or implies that it is to be used for that purpose, whether or not the gift or other item is characterized, in a document or otherwise, as being for another purpose. Under this section, candidates and their representatives may not circumvent the Act's limitations by soliciting contributions for one purpose and depositing such funds in an account established for another use.

"Coordinated Expenditures to Be Made Only From Amounts Subject to the Federal Election Campaign Act of 1971"

Sec. 121 amends the F.E.C.A. to require coordinated expenditures under section 315(d) to consist only of amounts that as received by the committee making the expenditure, are subject to limitation and reporting under the Act, and are paid from an account that is subject to the Act's requirements. The section thereby assures that only funds raised in compliance with the Act are used to influence Federal elections.

"Additional Exclusions from the Definitions of Contributions and Expenditures"

Sec. 122 amends the F.E.C.A to exclude the following activities from the definitions of "contributions" and "expenditures": any amount for a candidate for other than Federal office; any amount in connection with a State or local political convention; any campaign activity, including broadcasting, newspaper, magazine, billboard, mass mail, and newsletter communications, and similar kinds of communications or public advertising that is exclusively on behalf of State or local candidates; administrative expenses of a State or local committee of a political party, including expenses for overhead, staff (other than individuals devoting a substantial portion of their activities to elections for Federal office), meetings, and conducting party elections or caucuses; research pertaining solely to State and local candidates and issues; and maintenance of voter files. The section clarifies that state payments not designed to influence Federal elections are not subject to the Act's limitations and reporting requirements.

"Additional Reporting Requirements"

Sec. 123 amends the Act to set additional reporting requirements. The section requires each state committee of a political party to file with the Commission, in addition to any other report required by law, any report of non-Federal receipts and disbursements filed by the committee under State law, and such supplementary material as the Commission may require to assure compliance with the Act. It also requires each national committee of a political party to file, as part of each report to the Commission, a statement of all receipts and disbursements by the committee in the reporting period, including receipts and disbursements for non-Federal purposes. In addition, the section requires any individual who makes contributions that are subject to limitation under section 315(a)(3) to report to the Commission the name of the person making the contributions and the amount and recipient of each such contribution not later than 7 days after making contributions aggregating $20,000 or more, but less than $25,000, in a calendar year. Individuals must also report the above mentioned information not later than 7 days after making contributions aggregating $25,000 in a calendar year with respect to contributions not previously reported.

"Transfers Between Elections"

Sec. 124 provides that notwithstanding any other provision of this Act or any other law, a candidate may transfer any unexpended campaign funds for use with respect to any later election.

TITLE II—AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934 AND TITLE 39, UNITED STATES CODE

"Amendment to Section 312(a) of the Communications Act of 1934, Relating to Discrimination Against Candidates"

Sec. 201 empowers the FCC to revoke any station license or construction permit for willful or repeated discrimination against a candidate in the amount, class, or period of time made available to such candidate on behalf of his candidacy.

"Amendment to Section 315 of the Communications Act of 1934, Relating to Candidate Access"

Sec. 202 requires licensees, in providing access to use of a broadcasting station with respect to a campaign, to give priority to legally qualified candidates for public office over other political users. It thereby ensures that broadcasters faced with a limited inventory supply will make air-time available first to candidates and then to other political users.

The purpose of this subsection is to make it clear that as between a purchase of time by a candidate or his committee on behalf

of his candidacy and by oher political users, the licensec or cable system is to give priority to a purchase by a candidate or his committee on behalf of his candidacy. If otlier political users have already purchased preemptible time, and a political candidate or his committee desires to purchae the same time at comparable rates, the other political user's purchase shall be preempted by the licensee or cable system in favor of the candidate or candidate committee. It is the intent of this legislation that if the other political user has purchased fixed time desired by the candidate, the other political user's purchase shall be preempted by the licensee or cable system in favor of the candidate or his committee. In any circumstance in which a candidate or his committee and other political users have requested the purchase of time as yet unsold, the licensee or cable system shall sell that time to the candidate or his committee.

"Amendment to Section 315 of the Communications Act of 1934, Relating to Use of Broadcasting Stations by Candidates"

Sec. 203(a) amends the Communications Act of 1934 to exclude debate between candidates from the use of a broadcasting station within the meaning of the subsection.

Sec. 203(b) repeals the lowest unit rate requirement and, in lieu thereof, provides that charges made for the use of any broadcasting station by a legally qualified candidate in connection with his campaign for nomination or election shall not exceed the charges for comparable use of such station by other users. It also provides that in determining charges to legally qualified candidates, a licensee must disregard any chargc for special or nontypical commercial use by other users. This section prohibits licensees from establishing rates for candidates that are not normally extended to and used by commercial advertisers.

Sec. 203(c) requires licensees to make available additional time, without extra cost, to a qualifying House of Representatives candidate who purchases at least 2 political advertisements. The additional time provided must be equal in market value to one-half of the total time purchased.

Sec. 203(d) states that licensees, in affording equal opportunities to candidates under this subjection, are not required to make time available to a candidate without cost when additional time is made available free of charge to a House candidate who is qualifying.

It the intent of this legislation that operators of cable systems shall make advertising time available to political candidates or their authorized committees on all cable system channels sold, and on any public access channel on which time would be available to a member of the general public.

"Amendment to Section 315 of the Communications Act of 1934 Relating to Disclosure Requirements for Certain Political Communications"

Sec. 204 amends the Communications Act of 1934 to prohibit licensees from allowing the use of a broadcasting station for a communication that is not in compliance with the disclosure requirements specified in subsections (d), (e), (f), or (g) of section 318 of the Federal Election Campaign Act.

In resolving any disputes regarding decisions made or actions taken by broadcast licensees or cable systems to implement subsections (d), (e), (g), or (h) of Sec. 318 of the Federal Election Campaign Act of 1971, the FCC shall defer to the reasonable good faith judgments of said licensees and cable systems. No broadcast licensee or cable system shall be found to have violated any provision of the Federal Election Campaign Act of 1971 or the Communications Act of 1934, as amended, because of the reasonable good faith decisions it makes and actions it takes to implement the purposes of said subsections.

"Amendments to Title 39, United States Code, Relating to Postal Rates for Certain Election Materials"

Sec. 205 adds to 39 U.S.C. 369, providing postal rates to qualifying House of Representatives candidates for first-class mail matter of one-half of the rates currently in effect, and for third-class bulk mail matter, the same rates as the rates of postage for a qualified political committee. These reduced rates shall be made available only with respect to matter mailed during the 90-day period ending on the day before the date of the election involved. The section also authorizes the reimbursement of the U.S. Postal Service, through the Revenue Forgone appropriation, for any resulting revenue loss.

"Amendments to the Internal Revenue Code of 1986 Relating to the Credit for Contributions to Qualifying House of Representatives Candidates"

Sec. 206 provides for a 100 percent credit, up to a maximum credit for a taxable year of $50 ($100 in the case of a joint return), for in-state contributions to qualifying House of Representatives candidates. The tax credit under this section shall apply to taxable years beginning after December 31, 1990, and would be allowed with respect to any qualified political contributions, only if such contribution is verified in such manner as the Secretary shall prescribe by regulations.

"Amendment to Section 1003 of the Internal Revenue Code of 1986"

Sec. 207 amends the Internal Revenue Code of 1986 to prohibit presidential candidates or their agents, as a condition of eligibility to receive public funding of their campaigns, from soliciting or receiving, directly or indirectly, any funds that are not subject to limitation and reporting under the Federal Election Campaign Act or are allocated to a non-Federal account or otherwise maintained in, or paid from, an account that is not subject to that Act. The section reinforces provisions designed to prevent presidential candidates and their representatives from soliciting or receiving any funds not regulated by the Act.

TITLE III—EFFECTIVE DATE

"Effective Date"

Sec. 301 states that, except as otherwise provided, the amendments made by this Act shall apply with respect to elections for Federal office beginning with the general election of November 3, 1992 (and any primary election relating to such).

SUMMARY OF THE DEMOCRATIC LEADERSHIP CAMPAIGN FINANCE REFORM PACKAGE: THE CAMPAIGN COST REDUCTION AND REFORM ACT OF 1990

PURPOSE OF THE BILL

The purpose of H.R. 5400 is to amend the Federal Election Campaign Act of 1971 and certain related laws to provide for a voluntary system of spending limits for House elections, to reduce campaign costs, to limit aggregate contributions from political committees, to restrict the use of "soft money", to encourage increased participation by small contributors, to provide for greater regulations of independent expenditures, and for other purposes.

EXPENDITURE LIMITATIONS FOR HOUSE CAMPAIGNS

Voluntary Spending Limits (Sec. 108): Because mandatory limitations on campaign expenditures were held unconstitutional in the controversial 1976 Supreme Court case of *Buckley* v. *Valeo*, candidates must agree to limit their spending voluntarily.

Under the proposal, candidates who choose to participate in the system would voluntarily limit their overall spending to $550,000 for the election cycle. No more than $300,000 of that amount could be spent in the primary, except in states where the primary election may be determinative, in which case there would be a primary cap of $400,000. In addition, participating candidates winning primary elections with less than 66.7 percent of the total vote would be allowed a 30% spending bonus in the general election, provided that their total general election expenditures do not exceed $550,000. (The maximum possible spending bonus would thus be $165,000). There would be a separate limit of $100,000 for runoff elections. Each of these spcnding limits would be adjusted for inflation every four years. The bill provides an exemption from the spending limits for legal or accounting fees. Finally, participating candidates would be prohibited from making expenditures derived from person funds in excess of $75,000 with respect to an election. Candidates must declare whether or not they wish to participate by the time of their state's filing deadline; once a decision is made to opt in, it cannot be revoked.

Benefits for Eligible Candidates: Candidates abiding by spending limits would be entitled to the following comunication benefits:

A. Reduced Broadcasting Costs (Sec. 203): Participating candidates would be entitled to one free TV or radio spot of comparable value for every two paid for. This provision amounts to a one-third discount on broadcast costs for candidates limiting their campaign spending.

B. Reduced Postage Costs (Sec. 205): Participating candidates would be entitled to mail at either (1) one-half the first-class postage rate; or (2) the non-profit, bulk third-class rate. Either option could be selected for any given mailing. The postal rate reduction is available only during the 90 days prior to an election.

C. 100% Tax Credit for Small, In-State Contributions (Sec. 206): Participating candidates would be allowed, in taxable years beginning after December 31, 1990, to solicit contributions eligible for a credit. A 100% tax credit would be provided for in-state contributions to participating House candidates of up to $50 (single return)/ $100 (joint return) per year.

Removal of spending limits for a candidate with non-participaing opponent (Sec. 108): The proposal removes the limits on personal funds and overall spending entirely for a participating candidate when an opponent is not participating and raises or spends more than $200,000. (The opponent must notify the FEC within 72 hours upon such event). Under the program, the participating candidate would still be afforded media and postage benefits, thereby assuring that those candidates who wish to limit their spending can do so without being put at a disadvanage relative to wealthy candidates who are not participating in the system.

Penalties for Overspending (Sec. 108): Participating candidates who spend more than the limit, but less than 5% more, would be required to pay a penalty to the F.E.C., for deposit in the Treasury, equal to the excess amount. For overspending by more than 5%, candidates would have to pay three times the excess expenditure. For overspending by 10% more, the FEC could impose additional penalties, over and above triple payment of the excess expenditure.

The system of spending limits that would be established by this bill serves several important public interests. Such a system would facilitate communication by candidates with the electorate by lowering the cost of broadcast time and postage, thus enhancing public discussion. Second, it would reduce the risk of corruption and the appearance of corruption by diminishing the role of large private contributors. Finally, it would relieve candidates of the burdens of fundraising, thereby affording them more opportunity to address the issues and communicate with the voters.

LIMITATION AND REFORM OF POLITICAL COMMITTEES

Establishment of Small Donor Committees (Sec. 119): The proposal eliminates special contribution limits in the law for "multicandidate" political committees (commonly referred to as "PACs") and, in lieu thereof, provides for the creation of "Small Donor" Committees. Small Donor Committees are defined as political committees that have been registered for at least 6 months, have made contributions to 5 or more Federal candidates and which restrict their fundraising to individual contributions of $240 or less per year.

Contribution Limits for Small Donor Committees (Sec. 119): Small Donor Committees would be allowed to contribute $5,000 per election to authorized candidate committees. (Political committees not qualifying as small donor committees would be allowed to contribute only $1,000 per election).

Aggregate Limitation on PAC Contributions (Sec. 109): House of Representatives candidates would be prohibited from accepting more than 50 percent ($275,000) of the spending limit in contributions from political action committees with respect to an election cycle. This applies to both participating and nonparticipating candidates. Funds carried over from previous campaigns, irrespective of their original contributory source, are not counted against this aggregate limitation.

Congress is concerned with the significant increase in the amount of money contributed by political action committees to candidates, and in the ratio of these contributions to the total contributions received by such candidates. The imposition of a ceiling on aggregate contributions from such committees would preserve the integrity of the election process, preventing corruption and the appearance of corruption.

Leadership PACs (Sec. 105): Federal candidates would be prohibited from establishing, maintaining or controlling a political committee other than an authorized committee or a committee of a political party. For one year after the effective date of this Act, any such political committee may continue to make contributions. At the end of that period such political committee would be required to disburse all funds by one or more of the following means: making contributions to a 501(c)(3) organization; making a contribution to the treasury of the United States; contributing to the national, State or local committees of a political party, or making contributions not to exceed $1,000 to any candidate for elective office.

"SOFT MONEY"

Soft Money Provisions (Secs. 110, 114, 120, 121, 122, 123): The proposal takes a multipronged approach to ensure that only funds raised and spent in compliance with the Act's limitations and restrictions are used to influence elections for Federal office, thereby shutting the so-called "soft money" loophole. First, it bans the use of party funds raised outside the strictures of Federal law for the purpose of influencing a Federal election; any party communication or activity that refers to a Federal candidate must be paid entirely out of hand dollars even if state candidates are mentioned. Second, "coordinated expenditures" must be paid out of funds raised in compliance with the Act. Third, presidential candidates accepting public funds are prohibited, directly or indirectly, from soliciting or receiving any soft money. Fourth, the proposal prohibits other Federal candidates from soliciting funds on behalf of their election campaigns and depositing any such amounts in an account not regulated by the Act. Fifth, the proposal prohibits the conversion of state campaign funds to Federal use. Finally, it requires the full disclosure by state and national party committees of all soft money receipts and disbursements.

INDEPENDENT EXPENDITURES

Independent Expenditures by Connected Political Committees (Sec. 115): The ability of corporate, labor union and trade association PACs to underwrite the administrative and solicitation costs of independent expenditures with treasury funds would be eliminated. The entire cost of these expenditures would have to be paid out of the political committee's own funds. This provision in no way prohibits the establishment of separate segregated funds for other political purposes.

Definition of "Independent Expenditure" (Sec. 106): The definition of "independent expenditure" would be tightened to prevent arrangement or coordination between the person or committee making the expenditure and any candidate.

Disclaimers on Independent Communications (Sec. 117): The proposal requires independent expenditure television ads to include a continuous message, clearly visible to the viewer, that identifies the name of the person or committee responsible for the advertisement and indicates that the broadcast was not authorized by any candidate. Newspaper, radio, billboard, direct mail and other public communications woud also be required to include prominent disclaimers.

PROVISIONS RELATING TO CANDIDATE USE OF BROADCAST TIME

Negative Campaign Advertising (Sec. 117): In order to encourage less negative campaigns, the proposal requires authorized television ads to include (whether the candidate personally appears in the ad or not) a photographic image of the candidate along with a statement indicating that the candidate "takes full responsibility" for the advertisement's content. Candidate communications through other media, such as radio, newspapers and direct mail, must include similar statements of responsibility.

Broadcast Discrimination Against Candidates (Sec. 201): The Federal Communication Commission would be empowered to revoke any station license or permit for willful or repeated discrimination against candidates in the amount, class, or period of time made available with respect to their campaigns.

Allocation of Broadcast Time (Sec. 202): Broadcasters would be required to give priority to legally qualified candidates over other political users in allocating air-time.

BUNDLING OF CONTRIBUTIONS

Prohibition of Bundling (Sec. 111): Contributions would be counted against the limits of both the original donor and any political committee, or agent of a political committee, serving as intermediary. This provision closes the "bundling" loophole that has enable certain individual and committees in effect to finance a favored candidate's campaign above and beyond what their contribution limits allow.

ADDITIONAL REPORTING REQUIREMENTS

Reporting by Party Committees and Large Individual Donors (Sec. 123): State party committees would be required to file with the FEC any report filed by the committee under State law as well as such supplementary material as the Commission may require to assure compliance with the Act. Also, each national party committee must file a statement of all receipts and disbursements, including those for non-Federal purposes. In addition, the measure requires individual making contributions aggregating $20,000 or more, but less than $25,000 in a calendar year to report their names and the amount and recipient of each such contribution within 7 days. Individuals making contributions aggregating $25,000 must report to the Commission the above mentioned information with respect to contributions not previously reported.

OTHER MAJOR PROVISIONS

Elimination of Presidential State-by-State Expenditure Limits (Sec. 107): The proposal eliminates state-by-state spending limits for presidential candidates accepting public funding. National expenditure limits are in no way changed.

Encouragement Amounts To Be Treated as Contributions (Sec. 112): The measure provides for the treating of amounts donated to a prospective candidate as contributions whether or not said individual becomes a candidate.

State Part Contribution Loophole (Sec. 113): The total amount of contributions a candidate for Federal office may accept in an election from a state or local committee (including any subordinate committee) of a political party would be limited to $5,000. This provision prohibits state and local party committees from acting as conduits for the circumvention of contribution limitations.

Disclosure in Solicitations by Unauthorized Committees (Sec. 116): The measure requires communications by political committees not authorized by any candidate (other than political party committees) to include a statement that neither the committee nor the communication is authorized by a candidate or under the control of a candidate. This will prevent misleading solicitation practices by unauthorized organizations.

Prohibition of Fraudulent Solicitations (Sec. 118): The measure prohibits the fraudulent solicitation of campaign contributions; no person may raise funds by falsely representing himself as a candidate or as an agent of a candidate, political party or other political committee.

Effective Date (Sec. 301): Except as otherwise provided, the legislation takes effect with respect to elections for Federal office beginning with the 1992 election cycle.

Mr. Chairman, I reserve the remainder of my time.

□ 1740

Mr. THOMAS of California. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. RINALDO].

Mr. RINALDO. Mr. Chairman, there is no more important issue now before Congress than campaign reform. For that reason, I regret that the efforts undertaken a year and a half ago have given way to partisan politics instead of a meaningful, bipartisan bill.

Make no mistake: We need reform. We need a good, comprehensive, fair bill. And we need it now.

Probably every Member of this Chamber has been the subject of an editorial about fundraising—about the role of money in politics and in our own campaigns—and we are all familiar with the innuendo and insinuation that it is the special interests with the biggest bank rolls who really call the shots.

That is unfair. It is untrue. And we all know it.

But what do we do about it?

How do we convince your constituents and mine that Congress isn't for sale? How do we prove to them that the system really does work and that it is not driven by money?

The last thing we should do is get bogged down in partisan politics and start pointing fingers across the aisle, blaming each other for blocking reform.

Unfortunately, that is what we are engaged in doing, instead of taking the opportunity and passing a substantive bill.

We all know reform will not be easy. I think the efforts of our colleagues since the beginning of last year have proven that.

What we need is political leadership—from the President and from the Speaker and from the majority and minority leaders in the House and in the other body. That is the kind of leadership that will produce a realistic, fair, effective bill.

But let us not kid anybody: We all know that we are not going to write a meaningful bill here on the House floor. True reform will be the product of bipartisan negotiations, not partisan bickering. And it is going to take concessions from both sides of the aisle.

We all know what happens without it.

We give people a perfect opportunity to continue denigrating the institution and the system and their elected representatives.

We should not allow that to happen.

We are never going to remove all money from politics.

When I first ran for Congress in 1972, my campaign cost about $100,000.

But just 10 years later, I was faced with a tremendous challenge.

I had an opponent who was independently wealthy. He was instrumental in gerrymandering my State. And he went on to spend $2.3 million against me in an effort to win a seat in this Chamber. It is the largest amount of money ever spent by a congressional candidate in the history of our country.

I didn't spend nearly that much—in fact, I was outspent by 3 to 1.

But there is something wrong in a system that allows that to happen. Seats in this Chamber should not be for sale—not to the special interests, not to anyone, not at any time.

We all have different ideas on how we need to reform it. Those ideas deserve legitimate, substantive debate—not partisanship.

I urge my colleagues in the leadership, on both sides of the aisle, to renew their efforts to enact meaningful reform.

We deserve it. Our constituents deserve it. And the institution deserves it.

Mr. THOMAS of California. Mr. Chairman, I yield myself such time as I may consume.

I would have liked to have had a general debate on each of the number of positions that the gentleman from Washington has articulated as part of the Democrat campaign plan. We on our side of the aisle went through a very arduous process trying to determine what we thought would be an appropriate campaign reform position, not just a single item, but a comprehensive package.

As I indicated on the debate on the rule, I think we could have come to an agreement on a number of those areas, as we have done in the past. Unfortunately, we had no opportunity to consider this legislation under the committee structure—a structure in which we have taken testimony in the past—and we have never sat down in what we call a markup and made the tough decisions. Instead, the Democrats got together on their side and decided what they wanted, Republicans got together on their side and decided what we wanted. Now, what normally happens in the usual legislative process is after Members do that, we then come together and discuss the relative merits and pick and choose between the two positions. We are not going to do that here today because the Democrats did not write a rule that would provide Members an opportunity to do that.

Oftentimes, the Democrats tell Members that Republicans are irrelevant. Oftentimes, we decide ourselves we are irrelevant to the process. Frankly, that is not true.

I happen to serve on the Committee on Ways and Means as another one of my assignments, and more often than not, Democrats on that committee have come to me and said, "Thank goodness you were in the room when we decided on the policy because you saved us from ourselves," and that, in fact, better legislation comes out of the process of accommodation and compromise than that legislation that Democrats or even Republicans can write by themselves.

So let Members now revisit, once again, the legislation that we have in front of Members, that the Democrats are so proud of, that they believe is comprehensive campaign finance reform, although it has been altered just as recently as 24 hours ago. If Members recall, and return once again with me to Swift 1—and the gentleman from Washington prefers that the modification be Swift 1.1. I was debating Swift and not-so-Swift, but I will accept his Swift 1 and Swift 1.1.

If Members recall under Swift 1, some group of Democrats decided that there ought to be criminal penalties for overspending in their liberal spending structure. As Members recall, after those Democrat Members who wanted a little freer operation spoke for Swift 1.1, that portion of Swift 1 was struck.

If Members will recall, originally some Democrats wanted to ban registered lobbyists from bundling and delivering money. But at the eleventh hour, those who wanted a little looser structure said, "Strike that."

Originally, some folks wanted to ban slate cards financed by corporations, unions, and millionaires. But guess what? There are some folks who operate with straight cards, and they did not want that hampering the good old way of doing business. So what happened? That was struck from Swift 1. And that is what produced Swift 1.1.

But more important than that, some Members sat down and said, "Look, what you are doing after all is limiting us, and we don't want to be limited quite as much as you indicate we should be limited." So where Swift 1 had $550,000, Swift 1.1, if they get less than 66.7 percent of the vote, limits them to $715,000.

Now, the gentleman from Illinois [Mr. HAYES] said he was concerned about whether or not he should really support this bill because he won his election with a lot of union PAC money. It is perfectly legal to take union PAC money. But one of the things that has been discussed is how much PAC money is in the system. I indicated to Members that one of the most comprehensive recent studies indicated that although the American public is concerned about how much money we spend, they are more concerned about the question of influence. Who controls the amount of PAC money? And the gentleman from Washington is advertising the Democrat plan as the Campaign Cost Reduction Act of 1990.

Well, under current law in the 1988 general election cycle, $99.1 million was collected by Democrat and Republican general election candidates from PAC's. What would happen if the Campaign Cost Reduction Act of 1990 goes into effect? In terms of contributions from PAC's $223.6 million would be available. That is the Campaign Cost Reduction Act of 1990 in regard to PAC receipts.

The gentleman from Illinois should not worry, there is plenty of room for his folk.

In addition to that, we have talked about spending limits, that what this

proposal is going to do is put a cap on outrageous total spending. OK, sounds good. Is it as advertised? Let Members take a look at the Campaign Cost Reduction Act of 1990 and take a look at the current law, 1988. Now, I left out third party candidates, but they really skew the amount. There is a lot of them, but very little money involved. We are dealing with Republicans and Democrats, the major candidates. We took a look at the Republican and Democrat incumbents under the 1988 election law, and found how much was spent: $156 million. Under Swift 1, the first Campaign Cost Reduction Act, $226.5 million would be allowed to be spent. But, hey, wait a minute. Remember in the last 24 hours we went from Swift 1 to Swift 1.1? Under Swift 1.1, if we get less than two-thirds of the primary vote, we will be able to spend more.

So let Members look at the refined Campaign Cost Act of 1990. Under the Swift 1.1, they can now spend $294.6 million, an increase of 89 percent over 1988 expenditures. They want to sell the name, Campaign Cost Reduction Act of 1990, but that is not what it does. The other thing that disturbs me a lot is that in the committee system we do good work. Everyone of the Members spends time in committee; we look at the work product; we go into sessions; we attack it; we call in people to give testimony on it; and guess what? Many times we see portions of the bill in a different light after people have talked to Members about what that particular measure might really do. I cannot believe the Democrats meant to do what they do in their bill. For example, the bill says there is only one kind of a committee. It is a small donor committee, and a small donor committee is defined as anyone who runs a PAC that accepts a contribution no greater than $240. That PAC is able to contribute $5,000. But if any anybody gives $240 or more, they have violated the small donor definition. Therefore, they can only give $1,000.

Guess what is included in the definition "political committee," as the way it is written? The Democratic Party, if it accepts one contribution over $240, can give only $1,000. Now, that is true of the Republican Party as well, but I cannot believe anyone would write a piece of legislation that would treat the national political parties in the same way that they were going to treat political action committees. I would have to think that is a mistake, but remember we still have the Synar-Obey amendment to come. That would limit the political parties, if they accepted a contribution more than $240, to $500 as a contribution from the National Democratic Party to a candidate, or the Republican National Party to a candidate.

Now, we will talk about Swift 1.

□ 1750

Mr. Chairman, the gentleman from Washington [Mr. SWIFT] wanted to talk about soft money. He says the Democrats disclose. He is absolutely correct. The Republican provision does not disclose. I say to my colleagues, "You don't disclose what you ban. The only reason you disclose it is because you allow it."

Now, my colleagues, let us take a look at what the Democrats allow, because they really do not eliminate soft money. They allow administrative expenses of a State or local committee of a political party, including expenses for overhead and staff. They allow maintenance of voter files. They allow any amount in connection with a State or local political convention. They allow any amount in a so-called building fund that allows unlimited corporate, union, and political dollars to pay for party offices and any fixed equipment. That is, anything that can be attached to the floor: computers and all of that. In addition, remember they just added slate cards as part of Swift 1.1.

Mr. Chairman, let us talk about transfers. The gentleman from Florida is very concerned about Member to Member transfers in terms of influence peddling. We have seen more and more of it. It has become a habit. I do not think it is very good. The gentleman from Florida [Mr. BENNETT] does not think it is very good. I have to tell the gentleman from Florida [Mr. BENNETT] that his party's plan allows Members to contribute to other Members. Yes, it bans leadership PAC's but it allows Members to control State and local party committees, and, in fact, take from their own committee and give to other committees. I do not think that really gets to the heart of the problem.

Mr. Chairman, the plan of the gentleman from Illinois [Mr. MICHEL] says, "No transfers, not between Member to Member, not between leadership, not between PAC's. You don't move money sideways."

Mr. Chairman, let us talk about spending limits. My colleagues have seen from Swift 1 to Swift 1.1 that the target moved from $550,000 to $715,000. But, is it not fun sitting around arbitrarily determining how much money someone can spend in a campaign regardless of the fact that the district which one represents is an urban district, a major metropolitan city, or it is a rural district, or it is an entire State, or it is a suburban rural mix, or it covers 20,000 square miles, or it covers 60,000 square miles? Somebody had the arrogance to sit down and say, "This is how much you are going to spend. It's $550,000, unless, of course, you don't get two-thirds of the vote in the primary. Then it's $715,000. You can spend $300,000 in the primary, unless, of course, the primary can get you elected, and it's counted as a general. They you can spend $400,000."

However, Mr. Chairman, when my colleagues put all of this mishmash together, what it says is that in a general election in the very same race it is possible that one person could have $550,000 to spend, and someone else would only have $250,000. That is the bottom end; arbitrariness carried to an extreme.

However, Mr. Chairman, the Democrats do not stop there. Take a look at the media section. If one is going to get the free time, they are going to say to that person, "You've got to run a 4-second spot on one-third of the screen."

Mr. Chairman, I ask, "Why wasn't it 3 seconds? Why wasn't it 2 seconds? Why wasn't it 10 seconds?" These people decided on 4 seconds. That is the way it is going to be. No hearing, no discussion from people, no talk about what may or may not be appropriate. Let us pick a number, and that is what we deal with.

Now let us talk about public financing in the Swift bill because it has got it. Now everybody is focusing on Synar-Obey, and they are talking about the direct Treasury contribution in terms of matching funds, and that is public financing. It reminds me of that Gary Larson cartoon of that mosquito that is swelling up enormously because he struck an artery, and the phrase is, "Pull out, pull out." Yet Synar-Obey hits the artery of the Public Treasury, direct Federal funding for elections.

However, Mr. Chairman, I say to my colleagues, "Don't think Swift 1.1 doesn't deal with it." Take a look at the postage section. Every time you buy a stamp, the Federal Government is going to subsidize the other half of it, if you agree to Swift 1.1. It's called revenue foregone. That means the Treasury shall pay.

In a few minutes we will be looking at the Michel substitute. It offers limits. They are not arbitrary fixed limits. They are not bribed limits using Treasury subsidies. But they are meaningful limits. The limits in the Michel amendment are local. The Michel amendment says a majority of funds must come from the people who are in the area. It says, "You can't take a dime from a PAC. You can't take a dime from Washington until the people back home give you that dime."

Mr. Chairman, that is real change. That is fundamental change. That is enabling change. This is not playing games with limits, or allowing people to continue to do what we have been doing.

My colleagues want fundamental change. Please, my colleagues, we have not had a chance to talk about it, but,

please, let us take a look at the idea of allowing local control of campaign finance.

The gentleman from Washington [Mr. SWIFT] said that the difference between Swift 1 and Swift 1.1 was improvement. Let me tell my colleagues that he must think Frankenstein is an improvement over Adam. Maybe he thinks Roseanne Barr sings the national anthem better than Beverly Sills because, if Swift 1.1 is an improvement, then please deliver me from improvements.

Mr. SWIFT. Mr. Chairman, for purposes of debate only, I yield 4 minutes to the gentleman from Arkansas [Mr. ANTHONY].

Mr. ANTHONY. Mr. Speaker, I thank the gentleman from Washington [Mr. SWIFT] for yielding.

First, Mr. Chairman, I would like to engage the gentleman from Washington [Mr. SWIFT] in a colloquy pertaining to section 105 of his proposal prohibiting the so-called leadership PAC's. It contains a transitional period to permit these committees to spend down the money in their accounts. That 1-year transitional period is triggered by the effective date of the act. Can you, as the author of the bill, tell us what that effective date is?

Mr. SWIFT. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. I yield to the gentleman from Washington.

Mr. SWIFT. Mr. Chairman, for the purposes of section 105, the effective date will be November 3, 1992, which is the only date certain provided for in the bill. Thus, these committees will have 1 year from that date—or until November 3, 1993, to spend down their funds. During that 1-year period these committees will not be permitted to receive any contributions but will only be allowed to make contributions and expenditures. Further, I expect that this will be clarified by the work of the conference committee.

Mr. ANTHONY. Mr. Chairman, the gentleman from California [Mr. THOMAS], my good friend, was making some points about changes in the Swift proposal, the Democratic leadership campaign finance reform package. If the gentleman would, I have just got a few questons I would like to ask because he showed a chart that had 3 years that were stricken on our side of the aisle after we had internal debate, time to think about it, and we thought that it was best to strike it out. The gentleman's statement on the floor made me think that he thought those provisions should have stayed in the Democratic bill, and I was just curious whether or not they are in the Republican substitute.

Mr. THOMAS of California. Mr. Chairman, I apologize to the gentleman for not yielding at the end of my statement. I had intended to do, and I forgot.

Mr. Chairman, the Republican substitute is not a comprehensive, point-by-point reputation of the Democrat proposal. We would have liked to have had the ability to have each of the major sections set aside in a separate position, had the Democrat position offered and they debate between the two. That has not been available to us under the rule, and so what we have offered, as a substitute, is going to the heart of the contentious areas.

The gentleman is a member of the task force, and he knows that we agreed on a number of areas. The titles of those areas are contained in the Democrat proposal. For example, the bundling area. I think we could have come to an agreement, but, rather than us waiting until the last minute, remember we had only until Midnight to come up with our proposal. The other folks were changing their positions until the last minute. Had we had a month or so to sit down after they set their structure, we set our structure, we would have been willing to confront point by point.

What we have are the heart of the difference between us. It is a question of spending limits, a question of PAC's. We do not have a comprehensive, point by point reputation. We could work out bundling and those other are as if we sit down and work together.

Mr. ANTHONY. Mr. Chairman, reclaiming my time, I take the gentleman's answers to be that, no, those three things that he criticized us for striking are not in the Republican substitute.

Mr. THOMAS of California. Mr. Chairman, will the gentleman continue to yield?

Mr. ANTHONY. I yield to the gentleman from California.

Mr. THOMAS of California. But we have one of those in ours. It is just like our question. We were similar there. When they changed theirs, we became different. They allow it. We do not.

Mr. ANTHONY. The second question: Looking through your substitute, and the gentleman has a chart showing how much money could be collected and spent on our side because we have a cap of $550,000. I find no cap in their bill. I assume that there is no cap in their bill.

Mr. THOMAS of California. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. I yield to the gentleman from California.

Mr. THOMAS of California. Mr. Chairman, the cap is, I think, the best cap of all. How much local people who can actually vote determine should be spent in a campaign. No, we do not have an arbitrary amount. No, we do not dictate what can be done or cannot be done regardless of the size of the district. We say, "Let the people who actually vote in the campaign determine how much is going to be spent.

I know that is novel and revolutionary.

Mr. ANTHONY. Mr. Chairman, I thank the gentleman from California [Mr. THOMAS] for answering those questions.

□ 1800

Mr. THOMAS of California. Mr. Chairman, I yield 3 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH], a member of the subcommittee that would have heard this legislation had it been brought to the subcommittee and the full committee.

Mrs. VUCANOVICH. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today in strong opposition to the bill H.R. 5400, the Campaign Cost Reduction and Reform Act of 1990. Let me make it perfectly clear that I support campaign reform legislation. However, we have not had a chance to refine this measure in a true bipartisan spirit.

First, this bill takes insufficient steps toward limiting PAC contributions. Members of Congress are already perceived by the general public as marionettes dancing under strings manipulated by the fingers of special interest groups. In order to correct this perception, we need real PAC reform, not just language that contains the letters, "P", "A", and "C". Establishing two types of PAC does nothing more than discriminate against smaller organizations and in favor of large, broadbased, interests. Today, we passed the civil rights bill. Now, we turn around and say its OK to choke one organization's resources but not another's. These groups are not inanimate objects, Mr. Chairman, they are composed of the same people we voted to protect just a few hours ago. Either we cut all PAC contributions or we cut none.

Additionally, I understand that an amendment will be offered by the majority party to match individual contributions through direct public financing. That means the taxpayer again, I remind my colleagues of today's earlier events. We have just voted to raise the short-term debt ceiling and now, not more than a few hours later, we are considering creating yet another Government program funded through the U.S. Treasury. The citizens of this great country are asking for campaign reform, not additional spending programs.

It is time that we got serious about campaign reform. It is time we stop sending mixed messages to the American people. I urge my colleagues to oppose this legislation in its current form.

Mr. SWIFT. Mr. Chairman, for purposes of debate only, I yield 2 minutes

to the gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. Mr. Chairman, let me say first of all that I have watched for the last 20 years on a personal basis the escalation of campaign costs. You know, in 1905 was the first time this Congress addressed campaign financing. I had a relative in this body at that time.

Once again in 1925, we addressed campaign financing, and then in 1971, a major campaign financial reform was voted on by this House.

We as Members of this House understand more than anyone else what campaign costs can be. This legislation, which began as a bipartisan effort in February 1989, today comes before us with an enormous amount of work on both sides of the aisle.

No one cannot say it has not been looked at, because it has.

When we try to put together legislation to address a rural district, an urban district, a metropolitan district, the issues are not always the same; but I think the legislation before us today addresses many of those issues.

What is a voluntary limit, all Members and challengers must agree.

It has PAC reform. What is a PAC? It is nothing but an outgrowth of small individual donors to contribute to the political system.

So today before us, this evening, late in the session, it is once again time to readdress this issue. I think the Swift proposal meets the needs of campaign reform.

It is time, as we did in 1971, to move forward.

Mr. THOMAS of California. Mr. Chairman, for purposes of debate only, I yield 5 minutes to the gentleman from Iowa [Mr. LEACH] one Member who has always been associated with positive, progressive, campaign finance reform.

Mr. LEACH of IOWA. Mr. Chairman, I thank the gentleman for yielding this time to me.

Since first running for Congress 16 years ago in the shadow of Watergate, I have consistently urged bipartisan support for campaign reform.

I am convinced that the role of special interest PAC's must be limited in order that individual citizens may be empowered to the maximum extent possible under our representative democratic system.

Today, after more than a decade of congressional avoidance, after a scandal of unprecedented magnitude—the $20 a month bill this Congress has placed on the average American family for the next 30 years to pay for the S&L bailout—the majority party continues to put its head in the trough of political piggery.

It has brought forth a bill that is a sham and a shame.

It is a sham because it proposes a no-limit limit on political action committees—$275,000 per election cycle or with a pretense of greater discipline $225,000 under the Obey-Synar approach. The party that used to proudly proclaim it was the party of reform in American politics has come forth with the embarrassingly self-centered notion that labor PAC's which it receives by a 40 to 1 rate more than the Republican Party should be less shackled than business PAC's which more evenly divide their largess.

Yet it is self-evident that Democratic self-serving ensconces the status quo and provides an invitation for the continuance of legal, although dubiously ethical, conflicts of interest.

What America needs is a Congress indebted to the individual citizens who click the voting levers, not to the money groups which tilt the levers of power.

Here, let me stress, never in the history of the Congress has there been a greater cause celebre for campaign reform than the S&L debacle. Congress, particularly the committee system, has let America down.

In the 1980's alleged defenders of the little guy in American politics transformed an industry created under Franklin Roosevelt to serve the small saver and average homeowner into a privileged preserve where a moneyed elite could play investment roulette with taxpayer-insured deposits.

Now, today, as the 1990's commence, these same alleged defenders of the little guy are suggesting that the system that produced the biggest scandal in American history be tinkered with rather than reformed, and tilted to favor the same incumbents who let America down so expensively in the last decade.

These same defenders of the little guy are today suggesting that big money should continue to be the mother's milk of American politics, that money folks count more than the silent middle class which places a priority on making mortgage payments and paying school tuition over contributing to candidates.

This body must come to understand that at the root of the S&L problem is weak law and that at the root of weak law was not a collusive attempt of ill-willed legislators to defraud the public, but rather of well-intentioned members operating under the rubric of politics as usual.

It is the system that has perverted judgment, not the individual who has perverted the system. Hence the need for reform of a campaign system that allowed the S&L industry to give $1.8 million to candidates in the last election cycle while losing over 100,000 times that amount in federally insured deposits. Taxpayers who are being asked to pay the congressional piper demand that this kind of return on political investments be stopped, once and for all.

In Chinese history there is a theory of revolution based upon a mandate of heaven. A government may legitimately be overthrown only when the mandate is removed as signaled by natural phenomena like droughts, floods, and hurricanes.

The unanswered question of the 1990's is whether the American people are in the process of concluding that conflicts of interest that cost real people real money are of earthquake proportions; whether the mandate of legitimacy ought to be removed from the current political system.

It is my conviction that the American people want and deserve change. They want and deserve revolution. Instead they are being served up the status quo.

For those who believe politics should be the art of representation, not the art of electoral manipulation, the approach before us should be defeated and a conference established with the Senate that combines the best of the Republican approach to limiting PAC's with the best of the Obey-Synar approach to limiting spending.

True reform must be radical and bipartisan, not marginal and one-sided.

□ 1810

Mr. SWIFT. Mr. Chairman, I yield myself 30 seconds.

If I could have the attention of my friend, the gentleman from California, I would like to ask whether he would be so kind as to let us use his graphics. Would that be permissible for us to have them set up in the well?

Mr. THOMAS of California. If the gentleman will yield, yes, if I can find them.

Mr. SWIFT. We do not need them now, and we would have time with a couple of other speakers, but I just wanted to see if I could get permission to use the gentleman's graphics.

Mr. THOMAS of California. Certainly. We will try to find them and work it out for the gentleman.

Mr. SWIFT. Mr. Chairman, for purposes of debate only, I yield 3½ minutes to the gentleman from North Carolina [Mr. PRICE.]

Mr. PRICE. Mr. Chairman, I think it is important in undertaking this debate to step back a bit from all the confusing detail that is in these competing proposals and ask ourselves what we really are trying to accomplish, what we ought to really be striving for in campaign finance reform.

It seems to me there are four principles, four goals, that we ought to keep before us. The first is to limit spiraling campaign spending. The Swift proposal does that. It establishes a spending limit of $550,000 for House campaigns, and it reduces mail and broadcast costs for those who accept this limit. The proposal thus provides realistic

cost containment, but it still permits full and effective campaigns.

We have made a reasonable adjustment upward in permitted spending for the campaign cycle when a candidate has a contested primary. That is as it should be.

Second, true campaign reform should provide for a healthy diversity of funds. Our proposal, the Swift proposal, does not eliminate any class of donors, but it does provide for a better balance among small contributors, large contributors, parties, and political action committees. This is especially true of the Synar-Obey amendment which limits PAC's, especially large-donor PAC's, further, lessens the role of large individual contributors, and makes up the difference with a modest amount of public funding financed through the tax-checkoff system. It is no solution simply to limit the amount raised or spent, unless we resign ourselves in the age of television to simply not reaching thousands of our voters. No, we must have full and effective campaigns but we must ensure that they are financed from a healthy diversity of sources.

Our third goal ought to be to encourage small contributors, to encourage broad participation. The Swift proposal does this in numerous ways, such as tax credits for individuals giving up to $50 to House candidates in-State, and a preferred position for PAC's that limit contributions from individuals to $240 a year.

Synar-Obey further encourages this by tying the public match to small contributions. In other words, we encourage financial participation by ordinary voters to ensure it will be mainly money from these sources that finances our campaigns.

Finally, true campaign reform should encourage accountability and prevent abuses. Again, the Swift proposal does this in several ways. It tightens up the soft-money loophole while providing exceptions for legitimate State party activity on behalf of the ticket. It discourages unaccountable "independent expenditures" and requires a prominent disclaimer in advertisements financed from these sources. It prohibits bundling. It discourages negative campaign advertising by requiring a disclaimer from the sponsoring candidate.

We limit spending. We provide a healthy diversity of funds and encourage small contributors, and we encourage accountability and prevent abuses. That is true campaign reform. It is a comprehensive bill, a responsible bill. It deserves the strong support of everyone in this House.

Mr. THOMAS of California. Mr. Chairman, for purposes of debate only, I yield 7 minutes to the gentleman from Kansas [Mr. ROBERTS], a member of the subcommittee that would have considered this legislation had it come through the committee system.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to the legislation offered by the gentleman from Washington [Mr. SWIFT], who is my chairman and a friend and colleague, and in rather wondrous but very skeptical awe in opposition to the amendment offered by the gentleman from Oklahoma [Mr. SYNAR] and the gentleman from Wisconsin [Mr. OBEY] and in support of the Republican reform package.

Mr. Chairman, we should simply have gone home. I do not think there is any useful purpose that can be served here at this point but, nevertheless, I am going to carry on for about 5½ minutes, and as a member of the Subcommittee on Elections, I had at one time the fervent hope that the gentleman from Washington [Mr. SWIFT], the gentleman from California [Mr. THOMAS], and the rest of my colleagues on the subcommittee would hold hearings and work under very, very difficult circumstances, I know that, to try and hammer out a bipartisan campaign reform package.

I think there are some areas of agreement as has been indicated by the gentleman from California [Mr. THOMAS]. One is to obviously reduce the influence of PAC's; we have the transfer problem and the bundling problem, or challenge, if you want to call it that, and certainly streamlining the FEC; we could do that, and, yes, even spending limits, and, yes, even soft money.

I say to the gentleman from Washington [Mr. SWIFT] that I apologize for referring to him while he is talking to the chairman. I was going to ask if he really thought that this was the proper way to do this in terms of a task force as opposed to the subcommittee and the committee. I worked with the gentleman from Washington [Mr. SWIFT] on something called motor voter registration. I got on the motor voter bus. I think it ended up in the ditch, and I got off the motor voter bus, but we at least made an effort, and I had really hoped that we could do this through the subcommittee and the full committee process rather than the task force.

Having said that, we have, instead, bundled up what I call an incumbent's protection package and called it reform. The No. 1 issue of concern, it seems, for everybody interested in campaign reform is to do something with these evil PAC's. PAC's are a four-letter word. I do not really buy that, but at least the Republican plan is simple and effective. It reduces the PAC contribution from $5,000 down to $1,000.

The plan offered by the majority under the small-is-beautiful banner, divides the PAC's into two groups. Whole multitudes of so-called small giver PAC's are now enfranchised as opposed to PAC's whose membership may give in fewer numbers but larger amounts. One you can give $5,000 and another $1,000.

Mr. Chairman, I suspect it will take the PAC organizations just about 1 week to simply add more folks to their organizations, and that will be that.

We have 12, 12 PAC's that this affects, and we went through how many PAC's do we have—I ask the gentleman from California [Mr. THOMAS]—I think it is in the thousands, about 4,000, and about 2,900 that actually give, and we found 12 that this will affect. Well, so much for reform.

What is the limit for this segregated reform? $275,000. This is a far greater amount than most people receive from PAC's now, and of course, you can roll the PAC contributions over to the next election year, and it does not count on next year's limit. You washed that. It is now clean. This is just in the bank, and if it is PAT ROBERTS, the PAT ROBERTS for Congress Fund, although I do not get that much in PAC's. This is worse than business as usual.

You wanted to end the practice of endless receptions, endless calls, endless special interests, tugs of war? The only thing we are going to do here now is guarantee more memberships to Common Cause, more justified grist for their reform mill and that of others who are in the reform business, and enough righteous indignation to last Fred Wertheimer at least a lifetime.

Throughout this exercise, you have wanted to limit spending and you have a limit of $550,000, unless, of course, you do not get two-thirds of the vote, and then you raise the cap, but very little is said about the tremendous advantage that we, as incumbents, have in this body.

Let us now take one we have all grown to love and to cherish and to protect and use, and that is the franking privilege. It has been estimated that the franking privilege and all that goes with it, the postal patrons and the questionnaires and the newsletters, the columns and the public meeting notices is worth at least $500,000 to any incumbent. I know just a little bit about this, because as a member of the House Administration Committee, I have to approve a virtual army of part-time employees for the Doorkeeper of the House just to move this stuff out during even-numbered years.

□ 1820

And we have a 60-day delay and another 60-day delay, which means all of that vital, important material that

goes out to our constituents, it is only 120 days late. But never mind.

Our bill at least makes a stab at franking reform and quarterly reports that involve public disclosure on a Member-by-Member basis. But you say to the challenger under your plan that you accept a spending limit that simply guarantees my reelection with all of the advantages I have, paid for by the taxpayer. If you do not, then I get more of the taxpayer subsidy, and you really do not have to pass the Synar version or the Obey version to get that. You have a mailing discount as soon as you sign up, and that is a 50-percent discount for what we call the Young Attorney Get Acquainted Act in the various districts all around the country.

I was not going to get into this. There is no righteous fury more indignant than the reformer, but if we look under the banner of reform in regard to the Synar/Obey amendment, let me point out that we have public financing, taxpayer financing for everyone, for everyone if anyone in the race does not adhere to the spending ceiling.

All you have to do is have one person in that race not sign and you do sign and you are guaranteed a 50-percent mailing discount. Now if you file for office and you do sign, you are asking every single issue group, every single issue group to get into the process. It is the death of the two-party system.

There is a qualification, 500 people at $50 a piece, or 1,000 people at $100 a piece. Anybody with a mailing list can get in on this. Hello right-to-life candidates, hello pro-choice candidates, hello gun control, hello Lyndon LaRouche. We have people with that outfit that stand over here and demonstrate between the Longworth Building and the Cannon Building and they are going to be in the race, and that is going to be a marvelous exercise in democracy.

Mr. Chairman, the gentleman from California [Mr. THOMAS] asked me to discuss issues. I have touched three. The truth of it is, however, that this is the silly season. This is filler. We are waiting to go home. We should go home. We should not be doing this. The President is going to veto the bill and we are not going to pass the bill.

True reform comes next year. This is a reform pickup that is stuck in the mud. You are stepping on the gas and asking me to push the pickup. No deal.

Mr. SWIFT. Mr. Chairman, I yield 1 additional minute to the gentleman from Kansas [Mr. ROBERTS] if he would like to have it so that he may yield to the gentleman from Ohio.

Mr. ROBERTS. I thank the gentleman for yielding the time.

Mr. ECKART. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to my good friend and neighbor, the gentleman from Ohio, somebody I respect a great deal, and I would love to know what is on his mind under the banner of reform.

Mr. ECKART. Mr. Chairman, with that great introduction, I would then have to not make all of the kind statements I would have made about my colleague and get straight to the point of my question.

The point the gentleman made, I think, is well taken. I think franking reform is something that some of us would also like to see occur.

Perhaps then I could inquire of the gentleman who referenced franking reform as should have been a part of campaign finance reform, why when it was part of the Republican caucus initial package it was not included in the substitute that the Republicans crafted for presentation to the floor tonight?

Mr. ROBERTS. I think it is a part of it.

Mr. THOMAS of California. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from California.

Mr. THOMAS of California. Mr. Chairman, in answer to the gentleman, once again, we thought there was going to be franking reform under the Legislative Subcommittee of the Appropriations Committee. It was scheduled this week, Just as the Senate dealt with franking and campaign finance in two separate structures, we were under the impression that we were going to have franking dealt with under the Legislative Appropriations Subcommittee position on campaign reform, but once again the schedule was changed.

Mr. ROBERTS. I am for it; you are for it. Let's get it done.

Mr. SWIFT. Mr. Chairman, for purposes of a colloquy, I yield 1 minute to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Chairman, title II, section 439(a) currently prohibits personal use of excess campaign funds by a candidate for Congress. For legislative history purposes, does the gentleman from Washington agree that excess funds means either those funds which are left over after a campaign, or during a campaign those funds converted to personal use if a candidate uses those funds during a campaign for personal expenses, but that that candidate has determined by that act that they are excess funds and not necessary for campaign purposes?

Mr. SWIFT. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Washington.

Mr. SWIFT. That is my understanding of current law.

Mr. JACOBS. Fine. I would only add one thing.

Earlier in the debate I heard somebody say that this would be the first example of public financing of political campaigns in the history of the United States. I beg to differ. The first example was the New England town meeting, because the only means of communication then was the town hall, and the taxpayer paid for it.

Mr. SWIFT. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. ANNUNZIO], chairman of the Committee on House Administration.

Mr. ANNUNZIO. Mr. Chairman, today, we have the opportunity to pass a meaningful and responsible campaign reform law, a process begun years ago and renewed in January 1989. On January 3, 1989, AL SWIFT, chairman of the Subcommittee on Elections, and I introduced a series of election reform bills including H.R. 11, to control soft money, H.R. 12, to prohibit the practice of bundling, and H.R. 13, the Campaign Cost Reduction Act designed to control the money chase that seems to drive our system off financing congressional campaigns. These bills provided the basis for our current proposal, H.R. 5400.

Mr. Chairman, I cannot let this important moment pass without recognizing the determination, persistence, and negotiating skills of the gentleman from Washington, Chairman AL SWIFT of the Subcommittee on Elections. There has been no Member so patient, so willing to listen to all sides and to accept constructive suggestions. It is AL SWIFT's careful and professional work that brings an acceptable campaign finance reform bill to the floor today. As chair of the task force on campaign finance reform, and as chair of the Election Subcommittee, AL has worked long and hard to craft a comprehensive package that tackles the problems that must be solved if we want to restore the public's confidence in our system of campaign financing. While others have made important contributions to H.R. 5400, it was AL SWIFT who provided the leadership necessary to reconcile the many different viewpoints into a responsible and contructive bill. I am proud of AL SWIFT's work as chairman of the Elections Subcommittee of the Committee on House Administration, and of his work as chairman of the Speaker's task force.

Building on the provision of H.R. 11, which we introduced at the beginning of the 101st Congress, today's bill closes the soft money loophole. Our bill prohibits Presidential candidates who accept public funds from soliciting or receiving any soft money. It also bans the use of soft money to influence Federal elections at any level and perhaps most important, it requires the full disclosure of soft money spending.

Another troubling aspect of our campaign financing system is dealt with in the provision based on H.R. 12,

which we also introduced 2 years ago, prohibiting the practice of bundling. By bundling groups of checks and other contributions; PAC's, other political committees, or individuals can now channel large sums of campaign funds to a Federal office candidate and still avoid current contribution limits.

Under H.R. 5400, contributions would be counted against the limits both of the original donor and of any intermediary through which the funds were funneled. This provision effectively prohibits the practice that enabled some committees and wealthy individuals to finance a favored candidate's campaign above and beyond what their contribution limits allow.

In closing, I urge my colleagues to vote for this comprehensive campaign finance bill. By passing this bill, we tell the American people that we are concerned about the possibility for corruption under current practices, and that we are determined to give them responsible, accountable, fair and open campaign finance legislation.

□ 1830

Mr. SWIFT. Mr. Chairman, may I inquire as to the remaining time on each side?

The CHAIRMAN. The gentleman from Washington [Mr. SWIFT] has 34 minutes remaining, and the gentleman from California [Mr. THOMAS] has 30½ minutes remaining.

Mr. SWIFT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, as a former secretary of state of Connecticut, I have advocated campaign finance reform before, and I am delighted to be here tonight doing the same thing.

We all know reform of the campaign system is not easy. These are difficult and sensitive issues for public officials and for the democracy we cherish.

What we are primarily doing here today is changing how we run for election in 1992, and our opponents and how they run. What we are really doing is trying to eliminate the growing perception in this country that money is such an important consideration in our elections that it influences our daily activities and the decisions that we make.

We know this is not true. But the perception is there, and we have got to combat it. It is a perception that has consequences in the real world, consequences such as reducing the faith of our citizens in the democratic process and the essential fairness of this Government and, most importantly, in their belief in us as politicians.

There are aspects of this bill we might not agree with, but that is not the point. We are here to reform.

I must say with all candor that my constituents are less than enthusiastic about public financing. But Common Cause tells me that is not right, that I am wrong, and I am willing to go along with this once again.

I think the gentleman from Washington [Mr. SWIFT] has done an excellent job of putting this bill together. I think Mr. SYNAR and Mr. OBEY will improve upon these provisions. I thank the leadership for not making us go home tonight not having done campaign finance reform.

I am glad that we will be able to work with the other body to bring about a good piece of legislation.

Mr. Chairman, I hope this bill passes.

Mr. THOMAS of California. Mr. Chairman, for purposes of debate only, I yield 4½ minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman and Members, I guess I had the privilege of being on the bipartisan campaign reform task force. It was at least an honor when I was selected. I do not know that we really did a lot. We certainly are not coming here with any kind of bipartisan package, but it was a good experience and I learned a lot about campaign reform in the process.

I went into the task, and I guess this is the frustration I have tonight, because it seems to me if there is one goal in campaign reform, it ought to be to return the elections to the American people.

You know, we talk a lot about election returns in this country. In the last midterm elections, it was 35 percent turnout, the lowest, the lowest of any democracy in the world. We ought to be embarrassed about that national crisis, and we ought to do something about it.

So I think we ought to try to figure out a way in campaign reform not to help Democrats or to help Republicans or help others, but to return the elections to the people so that they get involved.

Now, how do you think you do that? It would seem to me there are a couple of things we ought to do. You have got to reduce the role of PAC's. You got to reduce the role of special-interest groups. You have to level the playing field between incumbent and challenger.

You have got to find a way to deal with negative campaigns. That is a problem with the bill that is in front of us tonight and why I support the Republican substitute.

Take a look very quickly in terms of PAC's: Yes, both bills purport to reduce the role of the PAC's, ours does it across the board for everyone. Theirs conveniently says, "If you are a professional PAC and there is a small number of you but you happen to give more money, we are going to lower the amount that a professional PAC can give to only $1,000 per candidate. But if you have mass numbers, in a labor organization, for example, we are going to let you keep giving $5,000 because, after all, you are giving to our people."

Now you take a look at leadership PAC's. We say, "Hey, no leadership PAC, no transfer of money from one PAC to the other," and we do you guys a favor. I mean, do you not get sick, all of your colleagues and all your candidates running against us coming up here and saying, "Can't you give us $1,000?" I mean, we would cut that out, and everybody would be better off for it if we would do it.

The same with bundling.

The concept of anybody allowing bundling directly or indirectly in this day and age smacks at the issue of campaign reform. Of course, then that gets to the issue of political parties. But if you are going to reduce special interests, you got to raise the role of parties, to return politics to the people.

So we are trying to do that, help the Republican Party, help the Democratic Party. Not you, you are saying that somehow or other, because the Republican Party has more people that donate, we tend to have a party and you tend to have more of a labor organization activism. We are going to say "no" to parties. We are going to say that the most the parties at the State and local levels can do is a maximum of $5,000.

Then we get into this whole issue of protecting the incumbents. If you want to protect an incumbent, it is obvious what you do is you put a spending cap on because if the challenger cannot spend money to get name ID, they cannot get elected.

A funny thing happened: We have a bill in front of us, the so-called Democratic reform bill, that says the most you can spend is $550,000. You know what? I know exactly where that came from, that number, because there is a study by the nonpartisan, nonprofit Center for Responsible Politics of the 1988 elections. You know what they did? They figured out that any challenger who spent over $500,000 got 45.9 percent of the vote. So that they said, "by 1992 we had better get this cap at $550,000 so we can guarantee that challengers cannot win.

"And to make doubly sure that challengers cannot win, we are going to deal with this whole issue of independent expenditures." We are going to say that "if any of those challengers get the money and they have the gall to go on TV or radio and attack us for our voting records, why, then, it is automatically time out because any independent expenditure by any organization, a professional PAC or anybody that gets the money, we ought to have free air time to respond to every attack made in a challenger's cam-

paign against us by an independent expenditure."

So campaign reform, it is a good title and probably some place down the road we will do it, but as for now we do not want to return the elections to the American people. Keep them for the special interests, keep them for the incumbents and at least the 435 that are here, we will be better off even if the country is not.

Mr. SWIFT. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. HOAGLAND].

Mr. HOAGLAND. Let me tell you what a pleasure it is, Mr. Chairman and colleagues, to have an opportunity to come here this evening and speak in favor of the leadership package, the Al Swift package, in favor of the Synar/Obey package, and on the subject of campaign finance reform generally.

There are two very important reform elements in this legislation. No. 1, total PAC contributions that Members can receive and spend are limited in one election cycle in most cases to $275,000.

No. 2, the total amount that a Member can spend in one election cycle is limited in most cases to $550,000.

Now, those limits are very important. I will explain in a moment how costs are simply escalating out of sight and, for the sake of this institution, for the sake of our time, we have to bring these expenditures under control.

But first I would like to address these charts that the gentleman from California [Mr. THOMAS] showed us earlier.

Let me first display the PAC chart and show why this chart really compares apples with oranges. In the left-hand column we have what is called current law. That is the total amount of PAC money that was received and presumably spent by candidates in the 1988 general election. In the right-hand column we have the total amount of PAC money that could be spent if all candidates were to receive the maximum, if the Swift proposal were adopted.

Now, that is clearly comparing apples with oranges, because if we are talking about the maximum amount of money that could be spent under current law, as this infers, it says "current law," that is an infinite amount because current law allows that.

□ 1840

So if this chart were really comparing oranges with oranges and not apples with oranges, the left-hand column would reach to the roof of this Chamber. Indeed, it would reach to the stratosphere. Indeed, it would have no limit because under current law, Members can raise and spend as much PAC money as they want.

Now, the same applies to chart No. 2 where our friend, the gentleman from California [Mr. THOMAS] tried to chart out spending by candidates. Again, we have the same problem. The left-hand column is a total amount of spending by candidates in the last election cycle. The two right-hand columns set out the total amount of spending that candidates could make under various proposals should the maximum spending be undertaken. Now, that is not going to happen. Not all candidates for the House, two candidates or more in each of 435 districts, are going to spend $550,000 each cycle. That will not happen.

In any event, if we compare oranges with oranges, once again, the left-hand column, mislabeled as "current law," would have to go through the roof. Again, it would have to reach all the way up to the stratosphere because under current law there is no limit on the total amount of spending. That is why these reform proposals are so crucial.

Now, in my time that is left let me tell Members about my experience in Omaha, and why it is so important to have spending limits. Last cycle, my opponent and I spent more than all other races except three in the country. My opponent spent over $1,150,000 for a congressional race in Omaha, NE. I spent over $850,000. Now, if we take a look at the escalation of costs from 1980 to 1990 and extrapolate those increases into the future, at that rate of spending, I look at having to raise in 1996 to hold my seat, $1.3 million, and in 1998, $1.65 million. Spending will go up and up and up and up.

One final point: Think of how much time it takes Members away from legislative business, away from doing their job, to have to raise $1.3 million or $1.65 million in a 2-year cycle to get reelected. We need to limit these expenditures, to limit special interest influence, and give Members the time to do our legislative work properly.

Mr. THOMAS of California. Mr. Chairman, I yield myself 1 minute to respond to the gentleman, in his so-called analysis of the chart.

I would remind the gentleman that under Swift 1.1 there is, in fact, no limit on the other column as well, because this is a voluntary system. Someone can opt out of it. So there is no limit on either one.

What I was pointing out with the chart, if the gentlemen would understand the purpose of the chart, is that the current law column is what was spent in the last election, with no ceiling available. That is how much was raised. The Members are purporting this to be the cost reduction act. If that is the case, with no ceiling and that was all that was raised, why is the amount that could be raised under your spending limit so much higher?

If the gentleman would take a look at the chart he referred to, incumbents spent $156 million with no limit whatsoever. That is how they spent with no limit. That is history.

Under your proposal, Swift 1.1, there is almost $300 million available to spend. That is the cost reduction act? No, that is a comfort level for incumbents.

Mr. SWIFT. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Chairman, I just want to in my 2 minutes say a few words about what I think is the key issue as someone who came up, so to speak, from the ranks as a precinct delegate, a county chair, a State chairman, a legislator, and now in the Congress.

I want to say a word about money and politics. Perception is a problem, but the problem, also, is that there is some reality underlying the perception. Big money talks too big. Period.

The Republican package is purely cosmetic on this. It says big money is OK as long as half of the big money comes from where they come from. Now, how is that a solution? Well, I have heard it said on this side, something about the "T" word. Well, let Members talk about the "I" word. Integrity. That is what is really at stake on this issue. The Swift package may not be perfect. It is a step in the right direction. It has some public money in it. I hope, proudly, we say so.

Synar-Obey has some more, because we need a shift from campaigns that are financed, whose cases we judge, to a system where it comes from the public whose interests we are supposed to serve. I am here probably to say I support this package as a step in the right direction.

Mr. THOMAS of California. Mr. Chairman, I yield 4 minutes to the gentleman from Missouri [Mr. BUECHNER], a member of the bipartisan task force.

Mr. BUECHNER. Mr. Chairman, I was intrigued by the remarks of the gentleman from Omaha. A $2 million campaign in Omaha? Where did that money come from? Did that come from Nebraska's elderly ladies and gentlemen; from the people that have small businesses, from the laborers of Omaha? Did it come from the neighboring communities? Probably not. That money came from New York, Washington, DC, Beverly Hills. It did not come from Omaha.

That is the problem. The problem is that we are letting people from Beverly Hills and Meridian, CT, and Los Angeles dictate who is going to be the Senators and Members of Congress from North Dakota and South Dakota and Missouri and Louisiana and Georgia. That is what is getting people mad. The Keating 5 is not a result of

somebody from hometown just kind of moving around. It is because the pervasiveness of outside money has gotten out of control, and to stand before this House and say, "Well, we adopt one of these Democratic proposals, that will put an end to it," is ludicrous.

Instead of talking about money from the home area, and I would say to the gentleman, big money, we have disclosure. If the people want to say, "I don't want those people giving $750, or $1,000," and by the way we were prepared to reduce the amount of big money down to $500, let Members have a disclosure on it, but let Members keep it at home instead of the fat cats from around the country doing it. Let us as Members stop what people understand is an abuse of the process. The abuse of the process that ensures that incumbents are reelected.

This is a numbers game, and what these numbers are all about is politics. We are talking about real numbers. The numbers are, "You Deomcrats got us Republicans 2 to 1, and if you keep things exactly the way they are, that is good for you. Oh, of course they can change the exterior, they can put a new paint job on it, they can put new chrome stripping on it, can even put a CD in it, but it is the same old incumbent car and it will keep chugging down that highway, and the special interests will be behind the driver's seat, so if you don't really care about reform keep the caps on right where they know they work, where they do not allow a challenger to come in and really have a reasonable chance. Our Members should tell America the way the PAC community really works in a way that all persons understand. I was a challenger. I lost in 1984. I beat that person in 1986. He was not under indictment. If Members take a look at where people have lost, most of them had a scandal. They have not been outspent, they have killed themselves. But when I went in 1984 to talk to the business PAC's, the supported pro-Republican PAC's, they would say to me, "You know, you can't win, but if you can go out and show to me you can raise a lot of money, maybe we will give you money, because it takes money to win these elections."

So when we put the caps on that are supposedly cost reduction, what we will say to these guys, these special interest cynics, is that they know for sure we cannot win.

Now, the irony of this is quite simple: That we are posturing ourselves, as though we are trying to reform elections. But I believe, and I know in my heart, that the American people are looking at Members saying, "Who are you kidding?" I remember when I was in the State legislature, back in 1975, to show I had a good heart for some of these issues, we had an issue come up in our State, the speaker passed it. He was going to run for Lieutenant Governor, and it fit nicely in his campaign plans, and he sent it to the senate. The senate passed it. On the way back, it had some changes. On the way back the courier got lost, 180 feet away from the house he disappeared only to reappear after the session ended. It did not pass.

□ 1850

Mr. Chairman, a couple of us, a Democrat from the city of St. Louis, Steve Vossmeyer, and myself, put together an initiative campaign. Because we believed that Missourians deserved better. We had the State Republican Party, the State Democratic Party, the leading election official, the secretary of state opposed to us, the AFL-CIO and the chamber of commerce, did likewise and they spent a half a million dollars to defeat it. We spent $32,000.

The people wanted campaign reform, and they enacted it, by 72 percent, despite the odds. So, I say to the gentleman from Washington [Mr. SWIFT], and Mr. Chairman, Mr. Speaker, "You can mislead the people * * * but they're going to find you out." And when they do they are going to be mad.

Mr. SWIFT. Mr. Chairman, did the gentleman say "lie?"

Mr. BUECHNER. Mr. Chairman, will the gentleman yield?

Mr. SWIFT. I yield to the gentleman from Missouri.

Mr. BUECHNER. Mr. Chairman, I retract the word "lie." I would just say "mislead."

Mr. SWIFT. Mr. Chairman, I thank the gentleman from Missouri. I worked with him and have a great deal of admiration for him, and I appreciate the point.

Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Chairman, this bill is the second of the major steps we must take to begin to restore the trust and confidence of the American people in their Government. We took the first step last fall in purging ourselves finally of the dependence on extra income—euphemistically known as honoraria—from outside special interests. And, with this long overdue reform of campaign financing, we will remove another malignancy on the public trust.

I hear a lot of talk among many colleagues that this just isn't that important—they are not hearing from the people at home about it. That may be true. But, if so, I believe it is symptomatic of the growing disenchantment and mistrust out there; more evidence of a quite cynicism that has given up on even trying to communicate with us, or thinking that it matters. That is the kind of quiet that threatens this democracy.

This is also one of those occasions when the best can easily become the enemy of good. Sure, there are some parts of this bill I don't like—mainly because they do not go far enough. But what is there is a vast improvement over what we have got. We will get nowhere waiting for the perfect bill.

AL SWIFT has my thanks for the extraordinary effort he's made to fashion a bill that will work and will bring real and substantial reform. Likewise, my thanks to DAVE OBEY and MIKE SYNAR for their fine work in putting together a package that improves further a bill that's a great improvement to begin with.

This bill strikes at the heart of what is wrong with politics in this country today: too much money. Too much money being given to campaigns, and too much money being spent by campaigns. The bill finally puts a limit on the amount that can be spent on a House campaign. It provides workable and appropriate inducements for candidates to agree to abide by that spending limit. It reduces significantly the role of political action committees. It cleans the system of the covert, de facto PAC's that are the cause and effect of so-called bundling. It eliminates leadership PAC's—something that hurts the Democrats much more than our Republican colleagues. It encourages a revival of small, individual donations—from the ordinary people of this country to whom we are really beholden. And it provides a start at cracking down on negative advertising and the abuses of independent expenditures.

I am proud to support this bill. I am proud to ask my colleagues to support it. And I will be prouder still to have it become law and to abide by it.

Mr. THOMAS of California. Mr. Chairman, for purposes of debate only, I yield 5 minutes to the gentleman from Indiana [Mr. HILER], a member of the Elections Subcommittee who would have had a chance to examine this legislation had this legislation gone through the committee process.

Mr. HILER. Mr. Chairman, I purposefully tried to get on the Elections Subcommittee after my 1988 election because I felt so strongly and deeply that the issue of campaign reform was an issue whose time had come, and I obviously am very disappointed that the Elections Subcommittee never had an opportunity to deal with any of the proposals being considered today.

However, Mr. Chairman, the reason why I wanted to get on the Elections Subcommittee and the reason why I thought that election reform was an issue whose time had come was because it seemed to me in the area of

campaign finance that we had gotten badly out of balance.

In 1984, only 9 percent of the winning candidates received over 50 percent of their campaign funds from political action committees. By 1988, that figure had raised to nearly 50 percent of the winning candidates received over 50 percent of their funds from political action committees.

Now I have nothing against PAC's per se. I see nothing inherently wrong with groups of individuals pooling their money and deciding to give to candidates who support their point of view. I do not think there is anything wrong with that.

However, Mr. Chairman, I think that when a system begins to be dominated by the 4,263 political action committees that are in existence, then the system has gotten out of balance.

I think the Republican alternative tonight does the best job of restoring that balance. By limiting the amount that any single PAC can give to any single candidate to no more than $1,000, we in effect oppose spending limits because we will dramatically reduce the amount of money that is flowing from the political action committees to the individuals.

Now why is it important to restore a balance to bring that figure down? Because, when political action committees become the dominant source of funds, then the dominant source of politics takes place inside the beltway. No longer are candidates and incumbents required to go back to their home districts to receive their funding. All they have to do is to make one call to one source in town to get $5,000, and to do that back home they might have to contact 50 or 75 or 100 people to get that same $5,000. So, we need to restore that balance, and the Republican alternative ensures that at least 50 percent of the funds come from the individual districts and that the special interest committee did not give any more than $1,000.

Now let us look at the Swift proposal in terms of political action committees. On the surface it would look as though political action committees are restricted to no more than 50 percent of an individual's campaign. But let us look at what the figures actually were.

Last year incumbents; let us take Democrat incumbents, and then I will use Republicans incumbents; Democrat incumbents spent on an average $358,000, far below the $550,000 cap. Plenty of room for growth for incumbents, $358,000.

Mr. Chairman, if they had raised all $257,000 of that from political action committees based out of Washington, DC, they would have been able to raise probably in the neighborhood of 75 to 80 percent of their total funds from the political action committees. That is not right. That is not good balance. That has not restored the voter and the contributor back in the home district to the prominent role that they ought to have.

Let us talk about the spending limit that is in the bill, the Swift bill, the $550,000. As I said, the average for Democrats and Republicans in 1988, incumbents, was $378,000. So, clearly for the great number of incumbents, the spending limit means nothing. Who does it mean something for? It means something for those challengers and those incumbents who are in competitive races.

My opponent in 1988 spent $575,000. I spent something more than that. That $575,000; I do not know whether the right amount for my challenger would have been $650,000, or $700,000 or $400,000, but I do know a challenger has to get a threshold of spending if they are going to be credible, and in the 30, or 40, or 50 races that are competitive in any given election, and my race is one of those in every election, that challenger, if they are not able to hit that threshold, they will not be able to be competitive.

Mr. Chairman, in South Bend, IN, $550,000 may be credible, but in Omaha, NE, it may not be credible. It may not be enough to reach that threshold to run that competitive race.

Let us limit spending by limiting the amount of money that can come from outside special interests and restore the supremacy of the in-district contributor.

Mr. SWIFT. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. SABO], who has been an extraordinarily active member of the task force and, beyond that, has been an absolute stalwart in the development of this legislation.

Mr. SABO. Mr. Chairman, I rise in strong support of the Swift bill and, later, in support of the Obey-Synar amendment. It does several important things that deal with what I think are fundamental issues. It stops the incredible escalation of political campaigns. They doubled in cost from 1980 to 1988. If we do not adopt spending limits, they will double again over the next 8 years.

Major reform is good for all, good for incumbents, good for challengers, a fair system. It also fundamentally begins to reverse what has happened in the funding of campaigns.

Over the last 8 years, funds from small contributors of $200 or less has been virtually level. PAC's have grown, but we rarely talk about the other thing that is growing. Between $200 and $500, those contributions have grown by 100 percent.

□ 1900

Contributions of $500 grew by 146 percent.

Frankly, I support very strongly the Obey-Synar proposal to reduce the individual contributor back to $500.

The Swift bill, however, establishes the $50 tax credit for small contributors, but I think equally or more important, distinguishes among political action committees, because that is how most Americans contribute to political campaigns, and it says for those PAC's that go out and raise less than $240 from each contributor, they can continue to participate at a $5,000 level. In my judgment, that is good.

Frankly, when you look at who is contributing big individual bucks to political campaigns, you get a very distorted picture of this country.

In 1988, a little over 9,400 attorneys contributed $500 or more to House campaigns. There are more policemen, but only four of them did that.

There were 4,500 physicians versus 79 nurses.

There were 2,700 real estate people versus 29 carpenters.

Frankly, in much of what goes on in campaign finance reform, people wanting to limit here and there, the indirect effect would simply be to turn American politics over to the wealthiest 1 percent in our society. To have the campaigns funded at the country club, whether they be far away or local, that is not my idea of political campaign reform. We need to encourage the small contributor. The Swift bill does through its tax credit, through its encouragement to PAC's of giving money in small amounts. It stops the rapid escalation of campaign costs in this country. In my judgment, it is a major step forward and could be also improved by the adoption of the Obey-Synar amendment.

Mr. THOMAS of California. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Washington [Mr. MILLER], a member of the bipartisan task force, and one who, had this legislation been constructed by the bipartisan task force, would have had an ability to influence the bill.

Mr. MILLER of Washington. Mr. Chairman, I come before this body as a membr of the bipartisan task force on campaign finance reform. It is too bad the rule does not allow us this evening to debate all the major issues of campaign finance reform. We need campaign finance reform. The trend has been alarming—a rising percentage of campaign funds has come from political action committees, PAC's, and a declining percentage has come from individuals. Over the last 15 years the proportion of funds coming to candidates for this body from PAC's has risen from 17 percent to 40 percent.

The alternatives before us are clear. The Republican alternative, first, requires candidates to raise over half

their campaign funds from individuals in their home areas. That is returning power to the grass roots from DC.

Second, it reduces the limit on all PAC contributions from $5,000 per election to $1,000 per election.

Third, it prevents PAC bundling of contributions to avoid PAC reporting and contribution limits.

Fourth, it stops Members of Congress from passing on contributions from their own campaign funds to other candidates.

That is real reform. The Democratic leadership alternative does none of these things. Not only that, it increases the proportional power of labor union PAC's.

Unfortunately, Mr. Chairman, it will take a Presidential veto and much more public pressure before this Congress does the job on campaign finance reform.

Mr. SWIFT. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of the goals of campaign finance reform contained in this legislation, but I must declare in the strongest terms my grave concerns about the procedures used to bring the bill to the floor.

I have debated with myself for days about whether to support or oppose this legislation. after much soul searching, I have decided to reluctantly support it.

My main concern is that the bill bypassed normal House procedures.

In my opinion, measures properly within the jurisdiction of the standing committees of the House must be considered by those committees. This is necessary for the formulation of sound and consistent legislation, and the efficient operation of the House of Representatives.

H.R. 5400, as introduced 4 days ago, was referred to four committees of original jurisdiction: The House Administration Committee, The Energy and Commerce Committee, the Post Office and Civil Service Committee, and the Ways and Means Committee.

Not one of those committees has considered the bill, much less approved it.

This is not a matter of jurisdictional turf. Our committee system was established over 200 years ago for a very important purpose. It was designed to allow Members with particular expertise in specific areas of public policy to assist in the development and crafting of good, sound law. This institutional process allows members of the committees to debate the issues and arrive at rational policy.

This policy creates clear legislative history as expressed in committee reports which explain and clarify legislation.

Without this hard work and long hours spent by Members in committee, and without the committee reports which result from that sweat and toil, laws will be vague, confusing, and potentially misdirected.

Mr. Chairman, H.R. 5400 has not received the benefit of these long hours of careful deliberation by Members representing various viewpoints and constituencies.

I know that the membership of the task force has spent long hours in the development of this bill. I appreciate and respect their efforts. But there is no free lunch, the Members cannot write good legislation without spending sufficient time debating and clarifying its provisions.

Under this legislation, I fear that candidates who are trying to obey the law will not know how, that the executive branch will not know how to implement it, and that the judicial branch will not know how to pass judgment on it.

Let me emphasize that those Federal Election Commission employees who will interpret this bill will have no guidance regarding Congress' intent with respect to the vague language of the legislation, and particularly no experience in the real world of rough and tumble political campaigns.

Although well meaning, without the clear direction of committee reports, these employees will independently determine how this legislation will govern our lives. And make no mistake about it, it is our very lives about which we are debating.

We have built this law so quickly and so rickety, and we are in such a hurry to pass it, that we shouldn't be surprised if it soon falls down around us.

This legislation is far too important for us to abandon our time-honored legislative system. That system would have avoided these problems—problems I believe are inherent in the task force procedure that is developing in this House—a procedure that I believe harms this institution and weakens our legislative product.

As far as I know, no effort was made to move this bill through the committees. Some say that the committee process would have slowed the bill down too much. I don't know, no one asked me to take the tax provisions of this bill through my committee.

If asked, the committee on Ways and Means would have made every effort to work quickly and efficiently to write good law. And I invite any Member of the House leadership who does not believe that the Ways and Means Committee works with the leadership to write good law in an efficient manner, to challenge this statement.

Mr. Chairman, I sincerely hope that in the future, this body will stop relying on single-purpose task forces and start again to write law in a reflective, understandable, and reasoned manner through the committee system.

Our country has been blessed for the last 200 years with a representational democracy, and we have an important duty to all Americans to continue those procedures and take the time to write good law.

□ 1910

Mr. SWIFT. Mr. Chairman, for the purposes of debate only, I yield 2 minutes to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I rise in support of the leadership proposal.

Our present system of financing Federal election compaigns is out of control, and we must seize this opportunity to take action and bring the financing and management of our elections back into balance.

Campaign expenditures have become exhorbitant, and we should take steps to reign them in. The public needs to be reassured that we are representing their interests, and not the views of special interests. It is time to restore a sense of proportion to compaigns for Federal office.

One of the most important features of this proposal is a cap on the total amount of PAC contributions a candidate can accept in an election cycle. This cap, combined with incentives for candidates to focus on the contributions of small contributors within the district, will help restore the power of the individual voter. Under these spending limits, a candidate would essentially have to rely on individual contributions for 50 percent of his funds.

The individual is the heart of any good election, and this measure will help to restore the voice of the individual in the electoral process and make all candidates more accountable to the voters.

The leadership's reform proposal is not perfect. I am sure that each Member of the House can find some aspect of it which he or she would have addressed differently. But this proposal is a reasonable compromise in dealing with some very complex problems. I hope that this House will adopt this measure today, and that conferees on campaign reform will bring back to us a perfected compromise which the President will sign into law.

If we fail to act now to correct the acknowledged flaws in our campaign system, we will reinforce the common perception that the voice of the individual voter no longer reaches these Halls. We will bolster the cynical view that the Members of this House are more concerned with staying in office than with hearing the views of their constituents. We should not permit such perceptions. We must do all we can to assure that our elections are as free and open as possible—and that

our campaigns reflect the influence of our constituents.

I urge my colleagues to support the leadership proposal before us today.

Mr. SWIFT. Mr Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. GLICKMAN], who has worked extremely hard on the development of this legislation.

Mr. GLICKMAN. Mr. Chairman, 25 years ago Lyndon Johnson said that "public confidence in the elective process is the foundation of public confidence in government," and in the last 25 years, confidence in the elective process in this country has fallen precipitously so that now less than half the voters in this country turn out in each election.

The perception that elected officials are on the take, usually from private money interests contributing big money to campaigns, is destroying our ability to do our job, and it is driving a dangerous wedge between the American people and their government that has profound implications for the future strength of this great country of ours. If people do not have confidence that their elected officials are honest, sincere, and independent, then they will not have confidence in the laws that we pass. That leads to real trouble and potential instability particularly in bad economic times. That is a great reason to move ahead on this legislation. The legislation will allow candidates of Congress to reform campaign laws.

Mr. Chairman, I want to say one other thing that has to do not only for this country of ours but for my political party, the Democratic Party. For years we were the party of middle-income people, of working people, of average souls; Democrats have traditionally worked on legislation that affects middle-income people, working people, average people, legislation affecting taxes, health, environment, and education. What has happened in the last 20-25 years is our party has gotten infected with the same fundraising process as have the Republicans, and we are now raising much of the same money that the Republican Party had been recipient of over the years, so now when people ask me what is there different between a Republican and a Democrat, it is sometimes hard to tell them, because we get our money from the same folks, the same people. When you get your money from the same people, you cannot pursue different agendas. In truth, at least on several economic issues, the Democratic Party has not presented a clearly defined agenda separate and apart from much of the Republican agenda over the past 10 years.

We as Democrats should have an agenda for the middle class of this country, for the working people of this country on health care, on tax legislation, or whatever, and, unshackled from the current campaign laws, from the campaign money that we now depend on, we Democrats will be able to do more to help those average people around this country who need help on health care, on financial legislation, and a whole series of things that historically we have been in the forefront of. Our party needs to go back to its roots, and to do that, we need to get away from our dependence on the very same money that goes to the Republicans. There is no way for the Democratic Party to stand for the values of Roosevelt, Truman, and Kennedy and get the bulk of its money from supporters of Reagan and Bush.

This bill can be good for the country. It can also rejuvenate the Democratic Party and our traditional constituency.

Mr. SWIFT. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, I thank the gentleman from Washington [Mr. SWIFT], and let me salute him on a job well done.

Aldous Huxley wrote a book called "Brave New World." And after tonight there really will be a new world, and I think we will all have to be a bit braver as candidates to handle it.

Having, as I said earlier this afternoon, gone through a recent primary in May in which I did not take PAC money, in effect, accepting a voluntary limit on spending and also reduced individual contribution limits, I have had a bit of current experience with campaign reform.

It is scary. It is different. It is burdensome. But it is really very, very exciting. It is wonderfully refreshing to go back to the people for campaign support.

Money today has evicted people from the political process. This bill and the Synar-Obey alternative will place the people, put the people back in the center of the process, so I rise, as I did this afternoon in support of the rule, I rise in support of campaign reform.

This is a very historic day. We will pass civil rights legislation and campaign reform.

Mr SWIFT. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the Swift proposal and the Synar-Obey amendment.

Mr. Chairman, if I were writing this bill for the State of Maryland, I think I could impose upon this House to make some changes in it. I would like to see some changes as all of us would. Personally I think the caps are too high for primaries. I am not happy with the way it has been worked out. In Maryland it would be more useful if we had public funding in primary campaigns, but we are drafting national legislation, and the gentleman from Washington [Mr. SWIFT] has done an excellent job in bringing together a bill that is good for this Nation, that will help all regions of our country.

It does bring out meaningful reform in campaign finance. First, it caps expenses, the costs of elections. As has already been pointed out, campaign costs from 1980 to 1988 have gone up 100 percent. If we do not put caps in, we are going to see this same trend continue. It is too expensive. We are spending too much time in raising money.

The influence of PAC's, as far as the percentage of money that we receive from PAC's, has increased from 28 percent in 1980, to almost 40 percent in 1988. This bill does something about it. It changes that trend. It allows us alternative ways in special interest dollars in order to finance our campaigns through reduced media costs, and reduced postage, and by public funding, by supporting the Synar-Obey amendment.

It expands the importance of smaller contributors to the election process. It reduces the overall costs which means greater participation by our constituents. Grassroots campaigning will be rewarded in this bill, less expensive ways of campaigning. That helps greater participation.

We all agree that the current system needs change. The Swift-Synar-Obey proposal clearly improves our system and helps restore public confidence in the election system.

I congratulate all who were involved.

Mr. THOMAS of California. Mr. Chairman, I yield 7 minutes to the gentleman from Minnesota [Mr. FRENZEL], a gentleman who, as a former ranking member on House Administration over the years, has involved himself in many different ways in campaign finance reform, more recently moving to become the ranking member of the Committee on the Budget, nevertheless remaining actively involved in campaign finance reform as a member of the bipartisan task force on campaign finance reform, and had be been able to participate in a true bipartisan task force on campaign reform, this legislation would have been, as the chairman of the Committee on Ways and Means said, sound and consistent and, in fact, we would have seen legislation developed that was sound and consistent.

□ 1920

Mr. FRENZEL. Mr. Chairman, I thank the distinguished vice chairman of the Committee on House Administration.

Mr. Chairman, this has been a long day. It has been a particularly long day for those of us who believe that this bill should have been handled in the regular order.

Most of us on this side of the aisle believe that we are missing a chance for real election reform, because the Democrat majority has seen fit to drive this bill down our throats, and to impose on us a restrictive rule. This process prevents us the flexibility that we must have to be able to show to the body and to the world what needs to be done in election reform.

The idea of having no committee meetings and having no hearings, and having only one amendment allowed to the minority, is a gag rule of the worst kind. It makes it impossible for us to discuss election reform in the terms that we want to discuss it. We have to discuss concepts or batches of ideas rather than concentrate on each of the important provisions.

I have been involved in this kind of debate for many years. When I first came to Congress, I was assigned to the Committee on House Administration. I served on it for 18 years. Those were my salad days under the leadership of Chairman Hays. I was involved in each one of the election reform bills, 1972, which, although it bears that title, was actually passed in 1973, the act of 1974, the act of 1976, and finally 1979.

Each one of those bills was passed after extensive hearings, after long months of committee debate and amendment, and under rules that presented a large number of choices to this committee as a whole. We are not able to do that today. That is the shame of this rule and the shame of the House.

Mr. Chairman, you have already heard the discussion of the process that broke down, as the two parties tried to get together. The reason we have had no bill since 1979 is because the parties are at a stalemate.

The Democrats believe that we must limit expenditures; Republicans believe that for a minority party, that means that we will never be able to have a challenger beat an incumbent. We abhor limits. They are flat out unacceptable. They preserve incumbents.

The Democrats believe they have to use the taxpayers' money to clean up elections; the Repubicans believe that the taxpayers have very little left to them that is private, and one of those things is the election system. They believe that once we turn elections over to the bureaucracy, we have about given up the least of the privileges left to the taxpayers. Some, like the Supreme Court would even call them rights.

Mr. Chairman, Republicans believe very strongly that we need to have a party building kind of law that will restore some of the responsibilities and some of the authority to the political parties that they knew in days gone by. Since 1974 we have seen a reduction in the responsibility and the capabilities of the political party for a variety of reasons, some of which relate to election law, and relate to the use of taxpayer money in Presidential financing.

What has happened is the parties have become kept parties of the Government. The parties cannot even hold their quadrennial conventions without shaking their tincup in advance at the Government and collecting their $18 million apiece to finance their quadrennial conventions.

So in that kind of a context, we come to the floor with election reform, with the parties going their disparate ways, and with the absolute assurance under this kind of process that no election reform law can be enacted.

The other body has gone through its election reform process. It has made a kind of a mess of the process over there, adding all kinds of amendments with a kind of a whimsical approach, because it knew the law was not going to be enacted.

As to the matter at hand, first of all, I want to talk about the cost of the Swift and the Obey programs, because to me that is the overriding consideration in this situation.

In the Swift bill, there are three different kinds of cost. The first is the free broadcast time, which is laid against the broadcasters, which is eventually laid against the consumers that use the products that are advertised on airways. I do not think it is a good idea to ask the consumers of the United States to pay the costs of our elections.

The second cost is the cost of mail. Incidentally, Mr. Chairman, I do not know how to estimate the cost of these things, but I guess probably $15 to $20 million for broadcast spots, and probably $20 to $25 million for mail under the Swift bill. The mail costs would be paid by the users of the mail, because we simply force the Postal Service to cut its rates. That means that the first-class users and other mail users simply are going to have to make up the difference.

Third, under the Swift bill the tax credit is reinstated. That is $50 million a year, $600 million over the 5-year period.

So you have a huge cost laid partially on the consumers, partially on the mail users, and partially on the taxpayers of the United States, for a total of perhaps something over $90 million.

Then you go to the Obey version, and the Obey version lays the fourth cost on, the quadruple whammy. CBO says the public financing scheme costs a maximum of $87 million an election year, perhaps going down to as low as $25 million.

Add those all up, and what you have is a picture of the Congress. The American people are looking at our deficits, and we are telling them we have enough money left over to spend another wad on ourselves. Congress apparently did not get the word about the red ink and the deficit.

Our constituents will say, "Hey, Congress is spending the peace dividend. Look what they are doing good for the country. What are they doing? They are spending it on themselves, those clever little rascals. Here they are, usurping the peace dividend. Are they giving it to the poor, the lame, the halt? No, they are going to spend it on themselves."

Unfortunately, we missed having legislative appropriations before us this week. We could have seen Congress increasing its spending on itself in the legislative appropriations. Its pending bill has increased the cost of running Congress' operation by about 10 percent. Apparently there is no limit to our greed.

Well, I will tell Members, when the constituents look at this one, Mr. Chairman, they are not going to snicker or chuckle. They are going to say, "We didn't expect the Congress to spend the peace dividend on itself. We expected the Congress to spend it on something useful, or take it down to net."

So I would say, Mr. Chairman, there is only one way that this body can go, and that is to vote for the Michel substitute, to vote against the Swift bill, and to vote against the Obey amendment.

Mr. SWIFT. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. BROWDER].

Mr. BROWDER. Mr. Chairman, I rise in support of H.R. 5400. Mr. Chairman, we hear a lot of talk about a popular saying, "Do the right thing." But what is right?

There are two right things that we should look at. First is reducing the role of big money in our elections. I am not talking about just PAC's. They are easily recognizable. I am talking about the hidden money that makes its way into our system.

We have got to have first, spending limits. That is the most important thing. The second thing, we have got to encourage participation by average American citizens.

Now, I have a personal reason for supporting H.R. 5400. I simply am not willing to let campaign money drive my life. It may be risky, but this is more important to me than maintaining a lock on this congressional seat.

The gentleman from Washington [Mr. SWIFT] had the impossibility of trying to please everybody, on the rule, on the process, on every issue, on partisan grounds, in every locality, in every political situation or possibility.

That is impossible. We are simply asking people on both sides to make the commitment in the public interest to turn elections back over to the people of our country.

H.R. 5400 is not perfect, and anybody can find a reason or an excuse to say no. But it is far better than what we have now. It is clearly superior to what lies ahead for our country if we continue to let big money buy elections, and it is clearly superior to what lies ahead for us, in terms of voter ridicule and voter retribution, if we say no to this challenge, if we say no to this opportunity.

□ 1930

Mr SWIFT. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I rise in support of the bill drafted so carefully by Mr. SWIFT, also in support of the Synar-Obey amendment.

I take particular pride in one provision which would provide a 100-percent tax credit for in-State contributions of $50 or less. I believe I am accurate in saying that this provision first came to the U.S. Congress in 1977 in a bill that I introduced in my first year in Congress, an idea that I brought with me from the Ohio Legislature, where I first developed it.

I was a voice in the wilderness for 8 years. Then all of a sudden this provision began to become included in mainstream campaign finance reform legislation.

All of us, Mr. Chairman, will be better off if we seek to fund our compaigns with smaller donations from our own constituents. The 100-percent tax credit will give us every incentive to do so and will give our constituents every incentive to help finance our campaigns.

Again, I urge support for the bill and for the Obey-Synar amendment.

Mr. SWIFT. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of campaign finance reform.

Today's campaign finance system is a disgrace. Campaign reform is long overdue.

Unlimited spending in campaigns has created the impression that seats in Congress go to the highest bidder; that incumbents—due to their fundraising advantage—can never be beat; that money is more important than people.

This campaign reform bill will, finally, put an overall lid on spending; will help even the odds for challengers; and will move politics away from expensive, impersonal media campaigns and back to the people.

Excessive contributions from special interest political action committees [PAC's] have given these groups too much influence in the political process. This campaign reform bill restricts PAC contributions to no more than 50 percent of a candidate's total budget. That will reduce the role and influence of special interests and, appropriately, increase a candidate's reliance on support from individuals in their district.

Negative ads by one candidate attacking another are becoming commonplace in recent elections. No campaign reform can stop negative campaigning. But this campaign reform bill requires the mudslingers to show their own faces in the negative ads and publicly accept responsibility for the content of the ads.

In today's campaigns, individual contributors play to small a role, in part, because the 1986 tax reform repealed the political contribution tax credit. This campaign reform bill restores that credit for contributions of $50 or less. Encouraging more voters to support candidates with small donations will serve to democratize our political system.

In America we don't want a system supported by the wealthy and the big-buck PAC's. We need to return the government to the people.

The campaign reforms in this bill will help achieve that objective. I urge support for the bill.

Mr. SWIFT. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. MCMILLEN].

Mr. MCMILLEN of Maryland. Mr. Chairman, I rise in support of the Swift bill.

Mr. Chairman, I rise today in support of the Campaign Cost Reduction and Reform Act of 1990, and also note my support for the Synar-Obey amendment.

Mr. Chairman, for years the cost of Federal election campaigns have spiraled up and up. The high price of television advertising, computers, and polling is forcing candidates to spend increasing amounts of time or raising money, rather focusing on the issues.

Representative SWIFT's proposal is an excellent step forward to reforming a system that is in serious need of change. Most important, it places a cap on campaign financing. The Bill also reduces the influence of so-called fat cat PAC's that do not get most of their funds from the small contributor. The bill treats these PAC's differently, reducing the amount they can give to each campaign. And, it effectively ends the soft money scam that has been a big loophole to our campaign disclosure system.

I also want to express my support for the Synar-Obey amendment which will be offered to the Swift bill. This additional proposal adds even more teeth to the Swift bill by reducing the aggregate PAC limit to 40 percent of the spending limit; cuts in half individual contributions; and increases the reporting requirements to the Federal Election Commission. The measure is also a major improvement to our system by limiting to 10 percent of a candidates spending limit, the amount that can be taken for the fat cat PAC's I must admit that I have severe reservations about the public financing aspect of this measure—but, on the whole, it will improve the overall election system.

Mr. Chairman, the Republican substitute is not a genuine attempt at campaign finance reform, but a partisan proposal to improve their chances for election. They cannot get a majority of voters to support them at the polls, so they want to change the rules in their favor. No spending limits, no restrictions on individual expenditures, no decent reform of soft money.

I urge my colleagues to vote in favor of the Swift proposal, and the Synar-Obey amendment. The American public is clammoring for compaign finance reform, we cannot miss this opportunity today.

Mr. SWIFT. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KOSTMAYER].

Mr. KOSTMAYER. I thank the gentleman for yielding.

Mr. Chairman, many years ago when Jim Farley was Postmaster General under Franklin Roosevelt, he got mad at some liberal, good government type politician out in the State of Washington and made a disparaging remark about the progressive nature of the politics of the State of Washington. He said there are 47 States and the Soviet of Washington.

Well, that was a disparaging remark made in an intemperate moment, but Washington has been a progressive State, rich in the politics of clean government, good government. So it is no surprise that the two men who bring this legislation to us tonight come from the great State of Washington, AL SWIFT and TOM FOLEY.

AL SWIFT deserves credit for writing it, TOM FOLEY deserves credit for making the House vote on it.

Campaign finance is an area in which we are all experts, all 435 of us. All of us got here under this system, all of us are apprehensive, understandably, about seeing it changed.

Some in our own caucus urge us to wait. I ask wait for what? For more money, for more millions of dollars to be spent, for more people in this country to be alienated from the system, for more young Americans to turn away from politics, for lower voter turnout?

This legislation has two important components the American people ought to understand: It limits the amount of money you can spend in a campaign for Congress, and it limits the amount of money you can take from PAC's.

That is what this legislation is all about. We are for it, they are against it; it is as simple as that.

This sets limits. In 1988 I spent $1.1 million to be elected to Congress. If this becomes law, I will not be able to do it again. I do not want to be able to do it again, I should not be able to do it again, none of us should be able to spend that kind of money.

If this legislation passes, it can help to begin to remake the face of politics in our country. It would be embarrassing to us to go home tonight for a monthlong recess and reject campaign finance legislation. I think the time

will come when we will thank, both of the gentlemen from Washington, for compelling us to do this.

Why has it taken so long?

Mr. THOMAS of California. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MOORHEAD].

The CHAIRMAN pro tempo (Mr. MAZZOLI). The Chair would advise the gentleman from California [Mr. THOMAS] has 7 minutes remaining and he has now yielded 2 minutes to the gentleman from California [Mr. MOORHEAD]. The gentleman from Washington [Mr. SWIFT] has 4 minutes remaining.

Mr. MOORHEAD. I thank the gentleman for yielding.

Mr. Chairman, I think we all agree that some kind of campaign reform is necessary. However, I believe that the Republican version is far better than the Democratic version and certainly favors nonincumbents to a much greater extent than the version that we are considering, which I consider primarily incumbent protection legislation

The Republican version reduces PAC contributions from $5,000 to $1,000. The version that we have before us reduces PAC contributions for some PAC's but leaves other PAC's still able to contribute the $5,000.

There is a prohibition in the Republican version against leadership committees, restrictions on contributions between principal campaign committees. This is not handled very well in the bill which is before us and leaves giant loopholes.

The House of Representatives' election limitation on contributions from persons other than individual residents is in the Republican version. Such a limitation is not in the Democratic version.

In fact, one of the items which is advertised the greatest in the Democratic bill is that is cuts down on total expenditures. But there is no reduction below the $275,000 level. Taken along with the money that is received for franking privileges that the incumbents can send out in notices to their constituents, a Member who is in Congress now can spend nearly $700,000, while his opponent, the nonincumbent, is restricted to only a small portion of that amount. I think this particular bill is slanted too much in favor of one political party. If we were going to have true reform, we ought to have reform that is worked out by both sides and that truly gives the individual who is not an incumbent an opportunity, a chance in a race when it enables him to be able to mount a campaign that is equal to his incumbent opponent.

Mr. Chairman, I ask for a "no" vote on this bill.

Mr. SWIFT. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. I thank the gentleman for yielding.

I thank the gentleman for this opportunity to speak on this important legislation.

Mr. Chairman, I rise in support of H.R. 5400. This legislation, I think, can be called a political clean air act which draws a breath of clean air through this Chamber and through the political process in our country.

Thank you to Mr. SWIFT for the opportunity to support campaign reform, which is supported by the public. From what I hear from the public, the public wants to reduce the cost of campaigns, the public wants to reduce the role of political action committees in campaigns. The legislation of the gentleman from Washington does that. His legislation is an invitation to the public to join the fight. Important decisions are made every day in this body which affect Americans, decisions as close to them as the water they drink and the air they breathe. Invite the public in, vote for H.R. 5400 and the Synar-Obey amendment.

This legislation will go a long way toward reducing the alienation the public feels because of the role of money in campaigns, and broadens the base of participation in the political process.

Mr. THOMAS of California. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The gentleman from California [Mr. THOMAS] is recognized for 5 minutes.

Mr. THOMAS of California. Mr. Chairman, I appreciated the words of the gentleman from Illinois, the chairman of the Committee on Ways and Means. His comments were right on point in terms of the way in which this body usually works to produce sound and consistent—I would underscore consistent—legislation.

The gentleman from Illinois, chairman of the Committee on Ways and Means, indicated that this bill would have gone through his committee, would have gone through House Administration, would have gone through the Committee on Energy and Commerce, and would have gone through the Committee on Post Office and Civil Service.

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It seems to me that had the bill, even with all of its present structure, gone to that committee process, it would have at least been more consistent. I do not think it would have necessarily been sounder, but at least it would have been more consistent.

I think there are portions in this bill that are going to need to be adjusted. I think it is also a comment on this institution that the way in which we have dealt with the inconsistencies in the bill have been to say quietly in the halls, "Don't worry, we will clean it up in conference." What used to occur around here is we would hammer out the will of the House, the other body would hammer out its will, and we would come together in conference to contest the two positions. Now, apparently, we do not go through committee. We bring legislation to the floor through what ostensibly was a bipartisan task force which became a partisan task force without a pejorative use of the term "partisan," but it was one-sided, one-hand clap that produced this legislation today. Then we go to conference to clean up the mistakes that we made because we do not have the honest clash of ideas in the process of formulating the legislation in the first place.

I still believe that had we gone through the normal process we would have found an enormous portion of the campaign finance bill that we have in front of Members, would have been bipartisan proposals, I think on bundling, PAC transfers, independent expenditures, and some of the soft money we have not talked about. I would have preferred the debate on the core of the difference between the two parties.

I think it will come out, as we look at alternatives available to Members, we could have reached agreement without too much difficulty. I think the gentleman from Pennsylvania put his finger on it saying he spent $1.2 million in his campaign to get back here. He said, in essence, "stop me or I will ask again."

The problem is, who he is asking. The argument has been made that we are spending too much. The solution is to lower the amount of spending. I will remind Members once again: the American public is concerned about where that money is coming from more than they are the amount that we are getting. Frankly, when we examine this Democrat measure, what we find in it is a little less of the same old game. Is there a limit on where we get the money from? No. They will continue to get it from the Washington PAC's. Do we now have a limit of $275,000? Yes, but where do we get it from? The same old sources.

It seems to me that what I would have liked to have heard from the gentleman from Pennsylvania was, "I would like to spend as much as the people who are going to participate in the election will allow me to spend." That is going to be a fundamental difference on the floor here tonight, not whether we have a bundling, or whether we have a transfer. package, but a fundamental concept of how much money we will get. And more importantly, where is it going to come from?

What we have in the Democratic package is more of the same, only less. What we would really like to see is a revolutionary concept put in its place, and that is, we get to spend as much as the people back home who get to vote on the contest will allow Members to spend. Local control of campaign reform. I would have liked to have seen a clean, honest discussion of that concept in committee with testimony from academicians, practitioners, from people who are simply participating in campaigns. If we look at proposals, yes, they want less spending. But they want is an ability to feel that they are back in the process, that we do not go to Washington, Dallas, L.A., or New York for their money. We come back home.

This bill does nothing to allay the same old process, except we argue it's reform because it is a little bit less. Let me tell Members, if this is clean air reform legislation, do not take too deep a breath. Emphysema is on the way.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of California. I am happy to yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, I think it is terribly important to point out the bill could go forward. It places a limit of $275,000 on the amount we can get from political action committees, and it does place limits.

Mr. THOMAS of California. What the gentleman ought to focus on are the true mechanics. It is $275,000 in and election cycle. Once the general ends, and we tranfer that money into the next election cycle, it get washed, and we have a new $275,000 PAC limit, and we can then run the next campaign totally on PAC money, without one dime from individuals. I think local control is the true answer of the true reform.

Mr. SWIFT. Mr. Chairman, I yield 1 minute to the gentlewoman from South Carolina [Mrs. PATTERSON], a Member who has been extraordinarily helpful on this legislation.

Mrs. PATTERSON. Mr. Chairman, I grew up in politics. As a young girl, I traveled around the State of South Carolina with my father during his campaign for Governor when he served in the other body. We would go from small town to small town to attend what we called stump meetings.

They were called stump meetings because often the candidates would get up on a stump while the community gathered around. Then, he would tell them why they should support him and talk about their hopes for the future.

Today, we have a new version of the stump meeting. It is called TV. But, it is not free. When people ask about the cost of campaigns, there is no greater cost than media. That dusty old stump is now the box in the living room.

But, there are two costs associated with these changes in politics. First, there is the obvious cost of campaigning. Second, there is a cost to our society when campaigning becomes just another TV show.

Mr. Chairman, that is why I support H.R. 5400 brought to us tonight by the gentleman from Washington. It addresses both of these costs. It reduces media costs in return for voluntary spending limits. I have long supported spending limits—everyone agrees that campaigns cost too much.

More importantly, H.R. 5400 returns the focus to small donors. It requires that candidates reach out and involve the voters in the process. Campaigns will not be able to be run from a TV studio.

Mr. Chairman, H.R. 5400 puts us back on the stump. It ensures accountability. It should be passed.

Mr. SWIFT. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Chairman, I rise in strong support of the bill and the Obey-Synar amendment.

Over the last decade, two disturbing trends have emerged: First, there has been a sharp rise in the proportion of contributions candidates receive from both PAC's and wealthy individuals. Second, American voter turnout is at an all-time low, hovering near 50 percent. It is difficult to conclude that there is no correlation, no cause-and-effect relationship, between these two trends.

In the last 8 months I have received nearly 200 letters from people in Wisconsin supporting campaign finance reform. The people of Wisconsin are probably typical in calling for congressional action on this issue. The American people in numerous polls have indicated that they feel PAC's and wealthy individual contributors have far too much influence in the political process, and that this disproportionate influence stems from the current campaign financing laws.

Today we have a chance to regain the public's trust and restore the influence of small, individual donors while at the same time significantly limiting the influence of PAC's and fat cat contributors.

I strongly support the campaign finance reform package before the House this evening, and also the Synar-Obey amendment which further limits PAC contributions and, most importantly, institutes a voluntary experimental public financing program. For those who argue that public financing and spending limits will not work, I would point to the example of my State of Wisconsin. Since 1976, Wisconsin has enforced limits on total PAC contributions candidates may accept, on individual contributions, and on single PAC contributions. In 1978, Wisconsin began partial public funding of State campaigns. Individual candidates who reach threshold of small, $100 or less, donations are eligible for public financing. The candidates in turn must accept overall spending limits. They must also limit the amount of personal money they can use for their election campaigns. Hence, public funding helps limit the role of the super rich individual candidate.

My colleagues, the success of Wisconsin's contribution limits, spending limits, and public financing grants proves that what we are talking about doing today is hardly radical. A responsible mix of public and private funding can work at the Federal level and work well, just as it does at the State level in Wisconsin.

The Swift and Synar-Obey amendment adds on the basic bill and meaningful reform. Passage of campaign finance reform legislation will restore the ever-waning influence of individuals. Influence of working Americans. The role of big donor PAC's and wealthy individuals in the electoral process would be limited.

My colleagues, we have got to end the money chase. Each Member in this Chamber knows the constant pressure Members face as they run every other year. With expensive television advertising playing a bigger and bigger part in congressional campaigns, the cost of the average House race has gone from $160,000, in 1980 to $312,000 in 1988. Consequently in each election cycle, each candidates for Congress—both incumbents and challengers—have to raise more and spend more in order to compete. These escalating costs are little more than a political arms race and they have got to stop. The Republican substitute has a number of flaws. But the biggest is the total absence of spending limits. It would not stop the money chase, nor the excessive influence of the few.

Total spending limits and public financing grants are the real key to reform. The Democratic bill offers incentives of reduced broadcasting and mail costs for candidates willing to accept voluntary spending limits of $550,000 per election. The Synar-Obey amendment offers matching grants of $50 for each individual $50 contribution, up to a total of $100,000, in return for accepting personal and total spending limits, and total PAC contribution limits. This combination of public-private funding, with the critical spending limits, returns the electoral process to everyday Americans, to working people for whom $50 is a significant contribution. This amendment will limit the influence of wealthy individuals and PAC's for whom $50 is pocket change and who think nothing of sending off a check for $5,000.

I strongly urge passage of true campaign finance reform, adoption of the Synar-Obey amendment, and rejection of the Republican substitute, which avoids the heart of the problem.

The time has come for this reform to revitalize the role of average Americans in the electoral process.

Mr. SWIFT. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. MCHUGH], a member of the task force who has long been a worker in efforts to gain campaign finance reform and has been a very major figure in the development of this legislation.

Mr. MCHUGH. Mr. Chairman, this year the House has considered a variety of important bills: the Civil Rights

Act, clean air, the budget, the Americans With Disabilities Act, and a number of others. As significant as those bills are, the legislation before us today is at least as important. I say that because this legislation touches most directly on the confidence of the American people in the political process—the process by which the relative rights, benefits and responsibilities of all Americans are determined. If our citizens lose confidence in the integrity of that process, if they conclude that in the give and take of political discourse judgments affecting their interests are made not on the basis of merit but on the strength of special interests, and on the influence of big money in particular, public confidence in our Government will erode. Nothing could be more threatening to the fabric of a democratic society and to the trust a free and diverse people must have in their government.

As practicing politicians we know that public confidence in our political process has been eroding. And it has been eroding, at least in part, because people believe that big money has a disproportionate impact on our political judgments. This may be a harsh and perhaps unwarranted conclusion, but there is no question that is how an increasing number of Americans feel. Today, we have the opportunity to change that perception and to help restore public confidence in our political process.

We have three options to choose from, each one offering the promise of substantial reform: the Swift bill, the Synar-Obey amendment, and the Republican substitute. None of them is perfect. None of them is ideally suited to the conditions present in each of our congressional districts, each with its own unique combination of political and economic characteristics. But underlying all of these bills is a common premise that the current system of financing congressional campaigns is in need of change. And so to meet that need, we now must decide which of these options will best respond to the public's understandable demand for reform.

I do not know about your constituents, but mine believe that candidates for Congress spend too much money on campaigns, and that they are too often dependent on special interests and high rollers in financing those campaigns. Many believe that the average citizen, the one who can't afford to contribute very much, has less and less influence on the political process. If we are to respond to their concerns, and I believe we should, then reform means controlling excessive campaign spending, it means reducing the influence of big money, and it means encouraging the participation of small, individual contributors.

When judged by these standards, the Republican substitute should be rejected out of hand. It places no limits on campaign spending—the sky is the limit. It does nothing to reduce the influence of large individual contributors, the high rollers in campaign financing, and it provides no incentives for the small, individual contributors, those average Americans whose greater participation we need to encourage.

The Republican substitute's main claim to reform is that it reduces the maximum contribution from PAC's—political action committee—from $5,000 per candidate to $1,000. But it places no limit on the aggregate amount a candidate can receive from PAC's, and it makes no distinction between PAC's that represent a large number of small contributors and those PAC's that represent a small number of large contributors.

In short, the Republican substitute would very effectively protect the influence of the big money people in campaigns, the backbone of the National Republican Party, but would do little to address the concerns average Americans have about campaigns.

The Swift bill, H.R. 5400, on the other hand, goes a long way toward meeting those concerns. Swift provides a cap on campaign spending—$550,000 in most campaigns. The Supreme Court has ruled that a spending cap cannot be mandated, but candidates are given real incentives to voluntarily agree to one, including lower broadcasting and postage rates. Swift also imposes an aggregate limit on PAC contributions, equal to 50 percent of the total spending cap. This assures that PAC's will not dominate the financing of political campaigns. Swift goes further in giving preference to PAC's with small contributors only; they could continue to contribute up to $5,000 per candidate, whereas big donor PAC's would be limited to $1,000.

While placing limits on PAC's, particularly those with big contributors, Swift encourages small contributors by providing a 100-percent tax credit for contributions up to $50. Personally, I would like to see the credit available for contributions up to $100. In my judgment that would give candidates a more realistic incentive to raise money from small contributors. But the concept is sound—incentives in campaign financing should favor small individual contributors, with some limits being imposed on special interest groups and big contributors.

The Swift bill represents a significant improvement over current practice and deserves our support. However, the option which would achieve the most meaningful reform is the Synar-Obey amendment—which I coauthored. It improves upon Swift in a number of important respects.

While preserving the same spending cap as Swift, Synar-Obey would cut the aggregate limit on PAC contributions to 40 percent of the total spending cap—as compared with 50 percent in Swift. It would further limit big donor PAC's—those that accept contributions from Members over $240 per year—by imposing a sublimit on their contributions to candidates equal to 10 percent of the total spending cap—$55,000.

The influence of big individual contributors would also be reduced substantially under Synar-Obey, because the maximum individual contribution would be cut in half, from $1,000 to $500. At the same time, there would be genuine incentives for participation by small, individual contributors. As in Swift, there would be a 100-percent tax credit for instate contributions up to $50, but in addition those small contributions would be matched with public funds—up to a maximum of $100,000 in public funds.

The Synar-Obey proposal clearly goes farthest toward meeting the standards of reform that people really expect of us: It puts a cap on total campaign spending; it reduces the influence of large individual givers and special interest groups; and it provides the most incentives to attract small, individual contributors into the political process.

I strongly urge my colleagues to reject the Republican substitute and vote for the Synar-Obey amendment. If Synar-Obey fails, support the Swift proposal on final passage.

Mr. MARKEY. Mr. Chairman, I rise in support of the Campaign Cost Reduction and Reform Act and of the Synar and Obey amendment that will greatly improve this campaign reform legislation.

I hope that this bill and this amendment will succeed in turning the tide of voter discontent that has for too long embittered the American voter to our election process. The most important numbers in the past few elections have not been the tallies of the Democratic or Republican candidates, but rather the voting percentages, which have shrunk lower and lower. More voters chose to stay at home on election day in 1988 than in any Presidential election year since 1924.

The public has very little confidence in the system, and we have only ourselves to blame, for it is largely our actions that have led to this erosion. I believe reducing the PAC limit, limiting the size of individual large donor contributions, and restricting the role of large donor PAC's will go a long way to restoring public trust in our elections, and I therefore support the Synar and Obey amendment.

But the public's misgivings about elections go beyond the issue of campaign financing. They are also troubled by the fact that Federal campaigns are characterized too often by sound bites and negative campaign commercials, rather than by substantive debate on the issues of importance. I am glad that the Swift legislation includes measures that will combat negative advertising and increase accountability in campaign advertising.

To this same end, I have introduced a bill, H.R. 1733, that would mandate that Presidential candidates participate in debates in order to receive Federal campaign funds. Obviously, there is no single solution to our current low ebb in voter participation in elections. However, it is past time when we can afford not to take action on reforms that the public supports. Mandatory Presidential debates, like the reforms we are voting on tonight, is one such improvement, and I hope this body will have the opportunity to consider this proposal before Congress adjourns this fall.

Finally, I commend Representatives SWIFT, SYNAR, and OBEY for their diligent work on this important issue, and let me again express my support for the bill and amendment before us.

Mr. UDALL. Mr. Chairman, a few months ago I visited the University of Arizona library, where the papers of the Udall family are being sorted through and catalogued. I rummaged through a few boxes looking at old photos, letters, and other documents. Among my father Levi's papers was a campaign expenditure report for his successful run for the Arizona Supreme Court. The total cost for the 1946 race was $925.86 for a statewide campaign. If an election were held today, my father would be outspent by at least 100 to 1.

The situation is critical. The high cost of congressional campaigns has forced incumbents to spend too much time in the constant pursuit of campaign funds. At the same time, skyrocketing campaign costs have virtually locked out challengers who are not fortunate enough to have significant personal wealth.

Today, with the adoption of the Campaign Cost Reduction and Reform Act, and preferably the Synar-Obey amendment, we have the opportunity to turn this trend around. The provisions in this legislation get us on the road to equity in the area of campaign finance.

The expenditure of very large sums of money poses a grave threat to the political process. Many American voters are saying that a candidate who can afford to compete in one of these races, and wins, probably does not have their best interests at heart. The voters are beginning to believe that it is not their vote that counts, but rather the money that counts. In other words, special interests matter more than people. I think evidence of this is the declining voter participation at the polls.

While the answer to this dilemma is multifaceted, it has to come primarily from campaign expenditure limitations and PAC reforms. The legislation we have before us today include provisions that address many concerns in the area of campaign finance reform. The primary provisions, however, provide the changes necessary in these primary issue areas. It sets voluntary limits on candidate expenditures in House races, and it significantly reduces House candidates' reliance on PAC's.

The Synar-Obey amendment makes even further strides in this area. It provides for additional PAC contribution limits and reduces the amount an individual may contribute to a Federal candidate. It also calls for public financing as both an incentive for a candidate to collect contributions of less than $50, and an incentive for opponents to stay within the voluntary guidelines.

Mr. Chairman, there is a strong congressional and public awareness that something must be done. The system is not working. Members of the House are spending more time on fundraising and less time on the business of Congress. Special interests are playing a larger role in our elections, while individual givers play a smaller role. Public distrust is rising and voter participation declining. We need more disclosure. And we need to get some control in independent expenditures.

After working on this issue for over 20 years, I realize the opportunity to address these issues does not come often. Today we have that opportunity. The Campaign Cost Reduction and Reform Act and the Synar-Obey amendment are the corrections we need, and I urge my colleagues to join me in supporting them.

Mr. GALLO. Mr. Chairman, the purpose of campaign reform should be to make the American citizen the focus of the democratic process—to return the individual to the center of power.

But, the passage of the legislation before us won't accomplish that. It is not genuine reform and the procedure available makes needed corrections impossible.

We cannot use the excuse that there is no time for an open and honest debate on key issues like spending and contribution limits, PAC's, soft money, public financing and the frank. Legislation has been before the House for more than 6 weeks. That was the time to begin debate; that was the time to let the American people have input into the final bill.

I think that it is a disgrace—the way we bring up and rush through important legislation just before a recess or an adjournment. The American people have waited a long time, too long, for campaign reform. However, I think they would be willing to wait another month to get good legislation enacted.

There are a number of specific items in H.R. 5400 that I cannot support. For example, this is the wrong time to use taxpayers' money to finance elections. We are on the verge of having to make significant cuts in Medicare, food stamps, and other desperately needed programs. And taxpayers themselves are increasingly hesitant to bankroll Federal office seekers. Only 21 percent—down from 30 percent in 1980—check off the box on their tax returns to direct $1 to the Presidential Election Campaign Fund.

In addition, H.R. 5400 does not prohibit bundling. Rich individuals still will be able to package money from friends and special interests and legally exceed the dollar limits.

This bill leaves the building fund soft money loophole intact. The bill purports to set a limit on PAC money, but it allows 20 percent more PAC money than was spent last year when there was no limit.

I support an end to bundling. I believe that a candidate should raise funds from individuals in the district he or she hopes to represent—not from national special interest groups. I support a limit of $1,000 for all PAC contributions. Supporters of this bill, H.R. 5400, limits PAC contributions, but only for some PAC's. Other PAC's can continue to give $5,000.

Supporters of the restrictive rule and H.R. 5400 say we have to act now to get the members of Common Cause off our backs. I believe the American people deserve better. This bill falls short of achieving necessary reforms. Let us not be in such a hurry. Let us wait and do the full job. Let us have a full and fair debate so that our constituents know where we stand. Elections are the cornerstone of our democracy. Let us not undermine that cornerstone in our rush to adjournment.

Ms. SNOWE. Mr. Chairman, I rise in opposition to H.R. 5400—which, if accurately titled, would be called the Democratic incumbent protection plan. The Democrats have been the majority party in the House for 34 years, and if this bill is adopted, they will be the majority for the next 34 years.

Let's get one thing straight: This legislation has nothing to do with reforming congressional campaign laws. It has everything to do with stacking the odds even higher against challengers—most of them, coincidentally, will be Republicans.

Across my district and across the country, the American public has been expressing their frustration and outrage with a system they see as pandering to special interests and the creation of a permanent Congress. The American public is demanding—and deserves—comprehensive reform of our campaign finance system to respond to these concerns. They are not demanding nor do they deserve the dissembling of the Democratic incumbent protection plan.

H.R. 5400 would establish a voluntary spending limit for campaigns. Looks good, but looks can be deceiving. In actuality, the limitation is placed on the ability of a challenger to unseat an incumbent. Common sense tells you that a challenger may need to spend more money to overcome the advantages incumbents hold.

The spending limit allows $300,000 to be spent on the primary and $250,000 on the general election. Now, a challenger with an expensive primary will be left with $250,000 for a general election campaign—$25,000 less than the amounts the bill allows candidates to accept from PAC's. An incumbent with no primary, therefore, could spend more money raised just from special interest PAC's on a race, than a challenger could spend on the entire election. This doesn't sound like reform to me.

Noted congressional scholar Norman Ornstein explained the spending limitation impact on challengers best by comparing the election to the 100-yard dash where currently the incumbent starts at the 50 yard line with the challenger at the starting line. Spending limitations shorten the race to 80 yards, but leave the two candidates where they started.

The Democratic Incumbent Protection Act would also establish limits on the amount of funding candidates can receive from PAC's to $275,000—again, an idea noble in concept but far from it in this bill. PAC's gave an average of $217,000 to Democratic incumbents in the House in 1988 and $11,000 to their challenger.

In 1988, 248 House Democratic incumbents raised $53 million from PAC's; yet under this proposal these same incumbents would be able to raise $63 million—$10 million more. Giving incumbents license to raise more money from special interest PAC's is not

going to help challengers run competitive races.

Further, the way in which the bill's PAC limitations are constructed will have the practical effect of hampering trade association and business PAC's, but not union PAC's. Shall we pause and think of which party receives the overwhelming portion of union PAC contributions?

Mr. Chairman, let me briefly turn to the Synar-Obey amendment, which is founded upon the curious notion that American taxpayers want to give their money to politicians to spend on campaign ads. This amendment would allow up to $90 million to be spent on congressional campaigns; I believe, as do my constituents, that at a time when the budget is being squeezed, there are significantly higher priorities for that money.

In addition, the Synar-Obey amendment cuts the ceiling for individual contributions when most experts believe that individual contributions should be encouraged, not discouraged.

By contrast, the Republican substitute, which is the result of 1½ years of work, unlike H.R. 5400 which appeared from some smoke filled backroom this week, seeks to level the playing field for House elections. The substitute does not set spending limitations, instead it focuses on where the money is raised. The provisions in the substitute place the emphasis on contributions from individuals within one's district. This will slow the inside the beltway fund raising which is a distinct advantage to the incumbent.

It also diminishes the power of the PAC's by decreasing the amount they can give to a candidate from $5,000 to $1,000. This puts their donation on a par with the individual contribution.

Adoption of the Republican substitute, unlike the Democratic bill, will introduce real changes in the way congressional campaigns are waged, and they are changes which make it easier, not harder, for challengers to compete. The question today is whether we are going to do our duty to the American people by reforming the system to produce a level playing field in House elections, or whether we are going to revise and extend the rights of the incumbents.

Mr. KLECZKA. Mr. Chairman, I rise in strong support of H.R. 5400, the Campaign Cost Reduction and Reform Act, and the Synar-Obey amendment to the bill.

I would like to extend my thanks to Chairman AL SWIFT and others who have worked so hard to craft H.R. 5400.

Enactment of major campaign finance reform this year, for the first time since the Watergate period, would be a major accomplishment.

Without some form of public financing in the legislation now being debated, we will treat the symptoms, not the cause, of the money malady.

The Synar-Obey amendment is very similar to H.R. 14, a major piece of campaign finance reform legislation which I was proud to cosponsor.

This amendment would set a spending limit at $550,000, similar to that of H.R. 5400. It would also limit PAC contributions to 40 percent of the allowable spending limit.

But it takes several additional necessary steps to restore public confidence in our campaign finance system.

Specifically, it would provide public financing matching funds for individual contributions of $50 or less, up to a ceiling of $100,000. This is quite similar to the highly successful system we now use at the Presidential level.

I know that some Members have doubts about this approach. The notion of funding someone who might use tax funds to run against you can be unsettling.

I want to assure my colleagues that we have used a similar approach at the State level in Wisconsin since 1977.

If we look back at the electoral results over the last 13 years in my State, it is clear that one party has not benefited at the expense of another due to public financing, nor have challengers received special favors.

The winners under this approach are the voters. They have real confidence in the system of campaign finance.

The losers, of course, are the special interests. Their influence is necessarily limited by every public dollar invested in the electoral process.

This amendment makes several other overdue changes in our electoral laws.

It would reduce in half, for example, the amount that any individual can contribute to a House candidate, from $1,000 to $500. This will affect very few people, since only a tiny sliver of the population can afford to contribute even $500 per candidate. This action will, however, limit the disproportionate influence well-heeled donors now have on the electoral process.

In a similar vein, the amendment would also limit, to 10 percent, the amount of campaign funds a candidate may accept from a PAC which accepts contributions from any source of more than $240 a year, or $20 a month.

Finally, Synar-Obey would require the Federal Elections Commission to computerize all contributions over $200 or more, making it easier for the public and the press to follow the money trail.

Mr. Chairman, I urge the adoption of this amendment.

Mr. WOLPE. Mr. Chairman, I rise in strong support of H.R. 5400, the Campaign Cost Reduction and Reform Act, and also of the Synar-Obey amendment.

The very first bill I agreed to cosponsor when I entered the Congress some 12 years ago was a campaign finance reform bill. Even then it was clear to me that the integrity of our entire political system was being seriously compromised by the huge amounts of money that were pouring into political campaigns, and by the disproportionate influence wealthy individuals and well-financed special interests had come to exercise on our political process. I was convinced then—as I am convinced now—that nothing would go further in restoring public confidence in our political institutions than to clean up the system by which we finance our campaigns.

Whatever feelings I had on this matter 12 years ago have only been intensified by my experience in the Congress. Our present system of campaign finance is demeaning to all candidates. We all spend far too much time pursuing campaign funds when we should be legislating, and too many Members have become far too dependent upon wealthy contributors and special interest funds. Even when Members of Congress are voting their consciences and expressing their best policy judgment, the current system invites the cynical conclusion that their votes are being influenced by those campaign contributions upon which they have come to rely.

The time for fundamental reform of our system of campaign finance is long overdue. There are two keys to true reform. The first key is to put limits on campaign expenditures. In too many instances, elections have become auctions—with offices available to the highest bidder or the most successful fundraiser. This practice must stop. There can be no meaningful reform that does not place effective limits on total campaign expenditures.

The second key to true reform is to decrease the ability of special interests and the wealthy, whether they operate individually or in groups, to exercise disproportionate influence on the political process—influence beyond their numbers or the merits of their arguments.

Mr. Chairman, in my judgment, the Campaign Cost Reduction and Reform Act before us passes both critical tests of true campaign finance reform. It places a spending limit of $550,000 on all House campaigns with incentives for lowered broadcasting and mail costs for candidates who agree to such limits and it provides a system of 100 percent tax for contributions of $50 or less. It would cap the total amount of PAC money a House candidate can receive, and it would lower the amount of money that can be given to each candidate by PAC's that are founded by large donations. This bill would also close a variety of campaign loopholes dealing with independent expenditures and unreported soft money.

The Synar-Obey amendment would strengthen the base bill by further limiting the amount of campaign funds that a candidate may accept from PAC's which accept contributions from any source of more than $240 a year, or $20 a month. It would also cut in half the amount an individual may contribute to any House candidate, from the present $1,000 to $500. And, as a further incentive for candidates to wean themselves off their reliance on wealthy contributors and high donor PAC's, Synar-Obey would provide public financing matching funds for all individual contributions of $50 or less up to a ceiling of $100,000. This would be financed with the existing Federal voluntary tax checkoff system.

Mr. Chairman, I will not take the time here to detail the elements of the Republican substitute that is being offered by Mr. MICHEL. But I do find it remarkable that a campaign finance reform bill would be offered that contains no spending limits whatsoever. Without such limits, there simply is no reform. Without spending caps, the games will continue. The money chase will go on. In the absence of an expenditure ceiling, new limits on PAC's will do little but to invite campaign operatives to find new and different back-door methods to fund their candidates. And the American people will continue to be sacrificed on the altar of the wealthy and the powerful. Our colleague, DAVID OBEY, said it well when he ob-

served that "the major test of any campaign reform legislation in determining whether it serves the public interest should be not whether money is given individually or collectively, but whether the rules of the game allow the well-off and well-connected to have influence on government that far surpasses the influence of average American families." Unfortunately, the Republican substitute before us this evening simply does not pass this test.

Mr. Chairman, it is imperative that we respond to the growing public cynicism about our political institutions. Passage of the Campaign Cost Reduction and Reform Act, and of the Synar-Obey amendment, will be important elements of this response. I urge passage of this critically needed reform legislation.

Mr. STOKES. Mr. Chairman, I rise today in strong support of H.R. 5400, the Campaign Cost Reduction and Reform Act. I also urge my colleagues to go a step further and support the Synar-Obey amendment, which will provide even greater protection against corruption of the political process by wealthy special interests.

The Campaign Cost Reduction and Reform Act calls for voluntary campaign spending limits for House candidates, with the cap set at $550,000 per election cycle. The act provides lower broadcast and postal rates for candidates who accept the spending limits, and establishes a system of heavy fines for exceeding the limit.

This bill also caps the total amount of PAC money a House candidate can receive to 50 percent of allowable spending, and cuts the PAC contribution limits to $1,000 per candidate per election unless the committee is a small-donor committee. Under the bill, small-donor committees, which are committees that take only individual contributions of $240 or less each year, are allowed to contribute up to $5,000 per election to each candidate.

The Synar-Obey amendment builds on this base, and further reduces the amount of PAC contributions which can be received by a candidate to 40 percent of the allowable spending limit, and limiting to 10 percent of the allowable spending limit the amount that can be accepted from any PAC which receives contributions of more than $240 a year from any individual. The Synar-Obey amendment takes additional steps to further reduce the ability of wealthy individuals to influence candidates by cutting in half the amount an individual may contribute to any House candidate.

Mr. Chairman, I believe that the reforms contained in H.R. 5400 and the Synar-Obey amendment will go a long way toward the goal of returning the political process to the people, and removing the taint of wealthy, special interest influence over candidates for Federal office. It is an acknowledged fact that the cost of a congressional campaign has skyrocketed over the last decade. During this same period, the share of campaign funding derived from PAC contributions has grown by an astronomical 175 percent.

I find these trends very disturbing, and urge my colleagues to vote today to restore the American political process to the average American citizen. The public is demanding reforms in the system of campaign financing, and H.R. 5400 addresses the problem in a comprehensive and effective manner. I strongly urge my colleagues to support this important legislation to promote greater participation in the political process.

Mr. BRENNAN. Mr. Chairman, throughout my 25 years of public life, one aspect has always been troublesome—that is campaign financing. And as the costs of political campaigns grow into the heavens, financing of campaigns becomes even more troublesome.

This measure, while not perfect, begins to address the problem plaguing those who run for political office. A key feature of the legislation calls for limits on the size of contributions. I strongly support efforts to promote small donations and to involve more people in the electoral process.

There is growing cynicism across our Nation, that big contributors are getting undue influence. We should not, and cannot, give the appearance of being beholden to special interests.

We can move forward tonight with legislation, designed to tighten controls on independent campaign spending, that encourages voluntary spending limits, that reduces media costs, and curbs growing dependence on PAC's.

I urge my colleagues to join me in support of legislation that will help renew public confidence in their elected officials and once again, make the candidate more accountable to the individual voter, not special interests.

I will support the Swift bill with the Obey-Synar amendment.

Mr. HUGHES. Mr. Chairman, I rise today in support of H.R. 5400, the campaign finance reform bill. I do so with some reluctance, however, because I still do not think this proposal goes far enough in bringing about the significant reforms we need to clean up the campaign process and restore public confidence in the system. I view this legislation not as a panacea, but merely as a first step in what will hopefully be an ongoing process to truly reform our campaign finance system.

It has been more than a decade since the last significant campaign finance reform legislation passed the Congress and became law. The changes that have taken place during that period are almost beyond belief. The average cost of a congressional campaign has virtually doubled from $160,000 to $312,000, and it is not unusual for some races to cost a million dollars or more. These skyrocketing costs have had a chilling effect on the campaign process in a number of ways.

First, they are making it more difficult for the parties to recruit qualified candidates, thereby undercutting the competitiveness which has always been the hallmark of our democratic process. Second, they are taking incumbent Congressmen away from their legislative duties and forcing them to spend more and more time raising money for their reelection. Third, they have vastly increased the influence of PAC's and other special interest organizations which have the financial means to turn out large and frequent donations. Fourth, they have squeezed the average person, who used to contribute $50 or $100 to a campaign, out of the process, since they do not feel their contribution make a difference anymore.

Fifth, and perhaps most important of all, the high cost of campaigns has undercut the confidence of the American people in our system of government. Many people believe their elected officials are beholden to the PAC's and other special interests, and it is hard to blame them when they see hundreds of thousands of dollars pouring in from outside their districts to help elect their Congressman.

I do not mean to point all of the blame at the system. In my own case, I try to limit my PAC contributions to a third or less of my total receipts. Accordingly, I raise the vast majority of my funds in small contributions from my own constituents in southern New Jersey. I think we could go a long way toward restoring voter confidence if all candidates voluntarily adhered to these or similar guidelines.

Unfortunately, that has not been the case, and therefore we have no choice but to to overhaul the entire system. In my judgment, H.R. 5400 is a step in the right direction. Under this bill, a voluntary spending cap of $550,000 will be imposed on House candidates, with flexibility for those candidates whose opponents do not agree to the spending limits.

In addition, the bill limits the amount of PAC contributions which candidates can accept, both in terms of dollar amounts and percentage of their total receipts; encourages contributions from small donors by providing a 100 percent tax credit for small, in-State contributions; closes certain loopholes such as bundling and soft money which make a mockery of current campaign law; and it discourages negative campaigning by holding candidates responsible for the content of all ads on their behalf.

Mr. Speaker, it is not a perfect bill but it is a start. By limiting the overall costs of campaigns, we can reinstill fairness and competition to the process. Just as importantly, we can restore public confidence by shifting the emphasis away from the special interests and back to the average voter. On balance, that is the direction that I believe we need to go.

Mr. VENTO. Mr. Chairman, I rise in strong support of the leadership package on campaign finance reform legislation, as well as the amendment to be offered by our colleagues from Wisconsin and Oklahoma.

The time for action on campaign reform is long overdue. During my first years in Congress in the late seventies, campaign reform was a priority of the House. At that time, the House debated and passed a responsible campaign reform measure, the Obey-Railsback bill, which I supported, and which would have limited PAC contributions to candidates. Unfortunately, that measure was not adopted by the Senate.

Since then, serious campaign reform has died on the vine. At the same time serious campaign spending has flourished. The cost of political elections has skyrocketed so that the average cost of a House campaign is nearly twice the amount that was spent in 1980. In addition, PAC contributions have exploded during that same time, increasing by 175 percent from $40,000 to $110,000.

As these numbers demonstrate, there is an urgent need to curb congressional campaign spending. The House leadership bill and the Synar-Obey bill will best accomplish that goal. Establishing strict limits on PAC contributions and voluntary overall spending limits will reign

in the upward spiral of campaign spending by controlling it at both ends of the process. In addition, the tax credit, the small donor PAC's and the proposed matching proposal will reemphasize the importance of small contributors.

Mr. Chairman, I believe that campaigns should be the competition of ideas not 30 second sound bytes. I recognize the need for adequate funds to convey a candidate's message to the voters but I also believe that that message should be conveyed on a one-on-one contact between the candidate and the constituency. That is why my own personal campaigns have been among the lowest congressional spending races by an incumbent Member from my own State of Minnesota.

This proposed legislation is not a cure-all. While it takes a big step in resolving the current inequities and problems in the political funding process, other action will undoubtedly be needed. An ongoing unaddressed concern is the problem associated with independent expenditures. Under the Supreme Court ruling in Buckley versus Valeo, the Court in essence ruled that the ability to spend money was the equivalent of free speech. I disagree. Until that problem is redressed and the authority to regulate campaign activities is once again a legislative and executive branch of Government policy responsibility, our political process will be unwieldy. This phenomena of unlimited independent expenditures that can be targeted for or against any candidate without rhyme or reason. While the pending bill seeks to equalize the political process, independent expenditures represent an ever present storm threat that can easily destroy any balance to the political election process.

Mr. Chairman, some have criticized the spending limits set in this bill as too large and not reflective of the needs of their State. I would urge those Members to contact their State legislatures to enact more restrictive spending limits as my own State of Minnesota has enacted and then to voluntarily abide by such limitations. I support Minnesota's tighter spending restrictions and intend to easily abide by them in the upcoming election.

Mr. Chairman, in 1979, opponents of campaign finance reform argued against passage claiming that the reform was unnecessary, and protected incumbents. They had their day in court and the resultant 11-year delay has brought yet more money into congressional campaigns, a greater voice for big contributors and less of a role and a voice for many American voters. It is time for a real change and for real congressional campaign spending reform. That is why I am urging the adoption of the leadership package and the Synar-Obey amendment which offer the most significant changes that we have had before the House in many ways.

Mr. PURSELL. Mr. Chairman, for those of you here in Congress who return to your districts as often as I do, it has become all to clear that it's time to put campaign financing back in the hands of those who send us to Washington in the first place: The American people.

Campaign finance reform needs to happen by requiring that a majority of a candidate's funds come from local sources. By doing this, we encourage Members of Congress and candidates to be more responsive to the people who vote for them. It would also place limits on campaign spending because you could only spend what you are able to raise in the district.

The Michel-Republican substitute limits the influence of PAC contributions, it restores local participation in the campaign finance process, and will make congressional elections more competitive: All of this without relying on the Federal Treasury or expanding the Federal bureaucracy.

The Republican proposal is both fair and effective. Neither political party is favored by its provisions and, if enacted, it would help restore the election process to what was intended.

Let's reduce the influence of PAC's, special interests and large out-of-State contributions. Let's return to the days when Members of Congress raised funds at home, from the people who send us here. I urge a "yes" vote on the Michel substitute.

Mr. WEISS. Mr. Chairman, I rise today in strong support of H.R. 5400 and the Synar-Obey amendment. The passage of these measures will reduce the importance of money in elections, enhance opportunities for ordinary citizens to make their voices heard, and make campaigns more accountable to the electorate.

Two central tenets of our political system are that all citizens have an equal say in elections as well as an equal opportunity to seek public office. Yet, due in part to the skyrocketing costs of congressional campaigns, these are not holding true. Soaring campaign costs are posing new threats to our democratic system: wealthy interests and individuals have too much influence and opportunity, while Americans of average and limited means have too little.

Under the present system, candidates also suffer under the pressure of big money. It becomes immediately obvious to any congressional candidate of limited personal means that the campaign is as much for money as it is for votes. Once elected the fundraising begins anew within weeks. Today's Members of Congress spend nearly as much time fundraising as they do representing their constituents.

Many claim that if the political action committees are reigned in, the problem will be solved. It is clearly not that simple—PAC receipts do not tell the whole story. Campaign spending limits must be established to control the spiraling increases in campaign fundraising and spending.

Since 1976, House campaign spending has increased almost fourfold, from $61 million to $223 million in the 1988 elections. The current system discourages challengers from throwing their hats in the ring. Setting reasonable spending limits would enhance fair and competitive electoral races.

The voluntary limit on total campaign spending set by H.R. 5400 goes a long way in addressing these concerns. The measure's aggregate PAC limit also weans candidates off their reliance on PAC's. Furthermore, the bill substantially increases the role of small donors through a 100-percent tax credit for contributions of less than $50.

To balance the problem of high cost campaigns and questions of first amendment infringement, I strongly support the Synar-Obey amendment. Its public financing provisions help quash questionable PAC influence and keep wealthy individuals from controlling the political process. This important amendment also encourages all who are interested in running for elected office to do so regardless of personal means.

I urge my colleagues to support H.R. 5400 and the Synar-Obey amendment.

Mr. SMITH of Texas. Mr. Chairman, many Members have no desire to change campaign finance laws at all. Their seats are secure. They have the advantage of incumbency that leads to easy reelection, seniority, committee chairmanships and power. Money keeps pouring in from the special interests.

But Members want to go home and tell constituents that Congress passed a landmark campaign finance reform package. So today we are considering a bill that has been thrown together in the last few days, has received no hearings, and does not have bipartisan support. Members will not tell constituents that this campaign reform bill has no chance of becoming law.

The American people deserve better than this. Citizens should not tolerate a partisan standoof.

What do citizens have at stake?

Laws that are fair.

Laws that treat them fairly.

Their hard earned dollars.

Each man, woman, and child is now estimated to owe $2,000 to $3,000 for the savings and loan bailout.

How did the savings and loan crisis come about? In part, it came about when a lot of key policymakers creating the laws to control the savings and loan industry were getting a whole lot of money from that industry.

No progress has been made in the deficit reduction talks because Members are unable to make tough decisions. Cutting programs could mean losing valuable PAC contributions.

House Members receive 47 percent of their total receipts from PAC's. PAC contributions to House Members have more than tripled since 1978. So has the deficit. In 1978, the Federal deficit was just over $59 billion. Today it is nearing $200 billion.

The average House committee chairman receives nearly 60 percent of his funds form PAC's. A committee chairman plays a major role in determining which programs will be created or expanded. Special interests have a clear influence over legislation.

In short, there is a basic connection between our campaign financing system and the most critical problems facing our Nation today.

Congress should be ashamed of itself for the political game it is playing with campaign finance reform today. Rather than considering a bipartisan proposal that will affect all candidates equally and eliminate some of our political system's most serious problems, the leadership is throwing out three last minute proposals that have no chance of being enacted into law. But Congress will be able to grab credit for passing a bill before recess.

It is easy to see why citizens believe their elected officials are taking advantage of their public offices for political gain.

Recently I introduced a bill that would significantly improve the campaign finance reform process with one simple step. The bill is the Fairness in Campaign Finance Act. Under the bill, a clear line would be drawn to limit PAC contributions to one-third of a candidate's total contributions.

The purpose is to strike a reasonable balance between PAC receipts and individual contributions. I believe that balance is one-third PAC contributions and two-thirds individual contributions.

A percentage limitation will tell all Americans that individual contributions are the main financial force behind every congressional race. It is a simple, self-enforcing change that the public will recognize as a way to give the campaign field back to the people.

Of the several bills that have been offered to accomplish this goal, only the Fairness in Campaign Finance Act offers a solution that is fair to all parties and avoids future loopholes.

I do not favor spending limits. Spending limits would unfairly help incumbents. They would only make it more difficult for citizens to hold their elected representatives accountable.

Outlawing PAC's is not a feasible solution. Citizens have a right to collectively give to candidates of their choice just as they do to give individually.

The proposal to limit the amount PAC's can contribute would result in PAC's dividing into small units that, together, could continue to contribute at current levels. Nothing would change.

Public financing is not the answer either. Why should the Government be asked to do what only a free people can do for themselves—make representative Government work. Taxpaying citizens want candidates that can command their support. They don't want to shell out $100,000 tax dollars to every person who thinks it might be fun to run for Congress.

Undoubtedly, my proposal would make some incumbents uncomfortable. Some candidates would have to work harder to reestablish that local base of financial support. But it would be well worth the effort to restore confidence in the campaign process and in Congress.

I sincerely hope that when Congress reconvenes in the fall, we can set our own political interests aside and agree on a bipartisan solution to the problems of campaign finance. We must return elections to individual citizens and restore faith in our representative Government.

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The CHAIRMAN. The time of the gentleman from Washington [Mr. SWIFT] has expired.

Pursuant to the rule, an amendment in the nature of a substitute printed in part 1 of House Report 101-659 will be considered as an original bill for the purpose of amendment under the 5-minute rule, and is considered as read.

The text of the amendment in the nature of a substitute is as follows:

H.R. 5400

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 "Campaign Cost Reduction and Reform Act of 1990".

TITLE I—AMENDMENTS TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

SEC. 101. DEFINITION OF QUALIFYING HOUSE OF REPRESENTATIVES CANDIDATE.

Section 301(19) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(19)) is amended to read as follows:

"(19) The term 'qualifying House of Representatives candidate' means a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, whose principal campaign committee includes in its statement of organization a declaration of intention under section 303(b)(7) and, by reason of such declaration, is subject to the expenditure limitations specified in section 315(h) or section 315(i).".

SEC. 102. AMENDMENTS TO DEFINITION OF CONTRIBUTION.

(a) VALUATION FORMULA AMENDMENT; ENCOURAGEMENT CONTRIBUTION AMENDMENT; CLEARLY IDENTIFIED CANDIDATE AMENDMENT.—Section 301(8)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i)—

(A) by inserting after "anything of value" the following: (such value to be determined by the highest of: cost to the person making the contribution, fair market value on the date of acquisition by the person making the contribution, or fair market value on the date of the contribution) and

(B) by striking out "or" after the semicolon;

(2) in clause (ii), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new clause:

"(iii) any gift, subscription, loan, advance, or deposit of money or anything of value (such value to be determined in the manner described in clause (i)) made by any person for the purpose of encouraging any specific individual who is not a candidate to become a candidate.".

(b) CLARIFICATION OF EXCLUSION OF MAILING COSTS FROM PARTY-BUILDING PROVISIONS.—Section 301(8)(B)(x)(1), section 301(8)(B)((xi), and section 301(8)(B)(xii)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)(x)(1), 2 U.S.C. 431(8)(B)(xi), and 2 U.S.C. 431(8)(B)(xii)(1)) are each amended by striking out "direct mail" and inserting in lieu thereof "mail".

(c) EXCLUSION OF CERTAIN ITEMS FROM DEFINITION.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking out "and" after the semicolon in clause (xiii);

(2) by striking out the period at the end of clause (xiv) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(xv) the value of any advertising rate reduction made available to a qualifying House of Representatives candidate by a newspaper, magazine, broadcasting station (as defined in section 315 of the Communications Act of 1934), or cable system (as defined in section 602 of the Communications Act of 1934), if such reduction is made available to any qualifying House of Representatives candidate and such rate reduction is made available during the 90-day period before the election involved.".

SEC. 103. AMENDMENTS TO DEFINITION OF EXPENDITURE.

(a) VALUATION FORMULA AMENDMENT; ENCOURAGEMENT EXPENDITURE AMENDMENT; CLEARLY IDENTIFIED CANDIDATE AMENDMENT.—Section 301(9)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(A)) is amended—

(1) in clause (i)—

(A) by inserting after "anything of value" the following: "(such value to be determined by the highest of: cost to the person making the expenditure, fair market value on the date of acquisition by the person making the expenditure, or fair market value on the date of the expenditure) and

(B) by striking out "and" after the semicolon;

(2) in clause (ii), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new clause:

"(iii) any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (such value to be determined in the manner described in clause (i)) made by any person for the purpose of encouraging any specific individual who is not a candidate to become a candidate.".

(b) CLARIFICATION OF EXCLUSION OF MAILING COSTS FROM PARTY-BUILDING PROVISIONS.—Section 301(9)(B)(viii)(1) and section 301(9)(B)(ix)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)(viii)(1) and 2 U.S.C. 431(9)(B)(ix)(1)) are each amended by striking out "direct mail" and inserting in lieu thereof "mail".

SEC. 104. REGISTRATION AS QUALIFYING HOUSE OF REPRESENTATIVES CANDIDATE.

(a) IN GENERAL.—Section 303(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 433(b)) is amended—

(1) in paragraph (5), by striking out "and" after the semicolon at the end;

(2) in paragraph (6), by striking out the period at the end and inserting in lieu thereof the following: "and"; and

(3) by adding at the end the following:

"(7) in the case of a principal campaign committee of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, who desires to be a qualifying House of Representatives candidate, a declaration of intention of the candidate to use broadcast time under section 315(c) of the Communications Act of 1934 or to receive reduced postal rates under section 3629 of title 39, United States Code.".

(b) AMENDMENT TO STATEMENT OF ORGANIZATION.—Section 303 of the Federal Election Campaign Act of 1971 (2 U.S.C. 433) is amended by adding at the end the following new subsection:

"(e)(1) In the case of a political committee referred to in paragraph (7) of subsection (b), if the statement of organization does not include a declaration referred to in that paragraph, the committee may amend the statement to include such declaration, if such amendment is filed under section 302(g) not later than the day the candidate becomes a candidate for purposes of State law.

"(2) A declaration of intention that is included in a statement of organization under paragraph (7) of subsection (b), whether in the original filing or by amendment, may not be revoked.".

SEC. 105. RESTRICTION ON CONTROL OF CERTAIN TYPES OF POLITICAL COMMITTEES BY CANDIDATES FOR FEDERAL OFFICE.

Section 303 of the Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following:

"(j) A candidate for Federal office may not establish, maintain, or control a political committee, other than an authorized committee of the candidate or a committee of a political party. For one year after the effective date of this Act any such political committee may continue to make contributions. At the end of that period such political committee shall disburse all funds by one or more of the following means: making contributions to an entity qualified, under section 501(c)(3) of the Internal Revenue Code of 1986, or making a contribution to the treasury of the United States; or, contributing to the national, State or local committees of a political party, or, making contributions not to exceed $1,000 to any candidate for elective office.".

SEC. 106. AMENDMENT TO DEFINITION OF INDEPENDENT EXPENDITURE.

Section 301(17) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(17)) is amended by adding at the end the following: "An expenditure is not an independent expenditure is—

"(A) there is any arrangement, coordination, or direction with respect to the expenditure between the candidate and the person making the expenditure; or

"(B) with respect to the election, the person making the expenditure—

"(i) is authorized to solicit contributions or make expenditures on behalf of the candidate or an authorized committee of the candidate;

"(ii) is an officer of an authorized committee of the candidate; or

"(iii) receives any compensation or reimbursement from the candidate, or an authorized committee of the candidate.".

SEC. 107. AMENDMENTS RELATING TO LIMITATION ON EXPENDITURES IN A SINGLE STATE BY CANDIDATES FOR PRESIDENTIAL NOMINATION WHO ACCEPT AMOUNTS FROM THE PRESIDENTIAL PRIMARY MATCHING PAYMENT ACCOUNT.

(a) REMOVAL OF LIMITATION.—Section 315(b)(1)(A) of the Fedcral Election Campaign Act of 1971 (2 U.S.C. 441a(b)(1)(A)) is amended by striking out ", except the" and all that follows through "$200,000".

(b) CONFORMING AMENDMENT.—Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a) is amended by striking out subsection (g) and by redesignating subsection (h) as subsection (g).

SEC. 108. LIMITATIONS ON EXPENDITURES BY QUALIFYING HOUSE OF REPRESENTATIVES CANDIDATES.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by section 107(b) of this Act, is further amended by adding at the end the following new subsections:

"(h) A qualifying House of Representatives candidate shall not make expenditures derived from personal funds of such candidate in excess of $75,000 with respect to an election for the Office of Representative in, or Delegate or Resident Commissioner to, the Congress.

"(i)(1) Except as provided in paragraph (2), (3), or (4), a qualifying House of Representatives candidate shall not make expenditures in excess of—

"(A) $550,000 with respect to a general or special election (and any primary election relating to such general or special election) for the office of Representative in, or Delegate or Resident Commissioner to, the Congress;

"(B) $300,000 with respect to a primary election for such office, except that, if under State law, a candidate who receives a majority of votes in the primary election is elected to the office involved and in such case there is no general election, the limitation with respect to such primary election shall be $400,000; or

"(C) $100,000 with respect to a runoff election for such office.

"(2) If any candidate in an election referred to in paragraph (1) (other than a qualifying House of Representatives candidate) receives contributions or makes expenditures aggregating more than $200,000—

"(A) such candidate shall so notify the commission within 72 hours; and

"(B) the limitation under that paragraph shall not apply to any candidate in the election.

"(3) Each limitation established by paragraph (1) shall be adjusted in the manner provided in subsection (c), except that—

"(A) such adjustment shall be made with respect to each 4-year period beginning after calendar year 1992;

"(B) such adjustment shall be rounded to the nearest $1,000;

"(C) the price index average shall be computed for each 4-year period ending before a presidential election year; and

"(D) the applicable base period shall be the 4-year period ending with calendar year 1992.

"(4) If, in a primary election with respect to a general election, a qualifying House of Representatives candidate—

"(A) receives the greatest number of votes and becomes the nominee of the political party involved; and

"(B) receives less than 66.7 percent of the total number of votes cast in the primary election;

the limitation applicable to the qualifying House of Representatives candidate under paragraph (1)(A) shall be increased by 30 percent except that the total of expenditures of the candidate with respect to the general election may not exceed $550,000.

"(5) In computing expenditures for purposes of paragraph (1), no amount of legal or accounting fees shall be taken into account.

"(6) In computing expenditures for purposes of paragraph (1)—

"(A) expenditures for broadcasting, newspapers, magazines, billboards, mail, and similar types of general public adverting shall be allocated to the election time period during which the advertising appears; and

"(B) other expenditures shall be allocated to the election period in which the expenditure is made.

"(j)(1) Any qualifying House of Representatives candidate who makes expenditures that exceed a limitation under subsection (h) or subsection (i) by 5 percent or less shall pay to the Commission, for deposit in the Treasury as miscellaneous receipts, an amount equal to the amount of the excess expenditures.

"(2) Any qualifying House of Representatives candidate who makes expenditures that exceed a limitation under subsection (h) or subsection (i) by more than 5 percent and less than 10 percent shall pay to the Commission, for deposit in the Treasury as miscellaneous receipts, an amount equal to three times the amount of the excess expenditures.

"(3) Any qualifying House of Representatives candidate who makes expenditures that exceed a limitation under subsection (h) or subsection (i) by 10 percent or more shall pay to the Commission, for deposit in the Treasury as miscellaneous receipts, an amount equal to three times the amount of the excess expenditures plus a civil penalty in an amount determined by the Commission.".

SEC. 109. LIMITATION ON ACCEPTANCE OF POLITICAL COMMITTEE CONTRIBUTIONS BY HOUSE OF REPRESENTATIVES CANDIDATES.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 107(b) and 108 of this Act, is further amended by adding at the end the following new subsection:

"(k) A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, and the authorized political committees of such candidate, may not accept any contribution from a political committee with respect to—

"(1) a general or special election (and any primary election relating to such general or special election) for such office which exceeds 50 percent of the limitation specified in subsection (i)(1)(A) when added to the total of contributions previously made by political committees to such candidate and the authorized political committees of such candidate with respect to the general or special election (and any primary election relating to such general or special election); or

"(2) a runoff election for such office which exceeds 50 percent of the limitation specified in subsection (i)(1)(C) when added to the total of contributions previously made by political committees to such candidate and the authorized political committees of such candidate with respect to such election.".

SEC. 110. ALL CONTRIBUTIONS IN ELECTIONS FOR FEDERAL OFFICE TO BE SUBJECT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 107(b), 108, and 109 of this Act, is further amended by adding at the end the following new subsection:

"(1) No candidate or authorized political committee of a candidate may accept any contribution with respect to an election for Federal office if the gift, subscription, loan, deposit, thing of value, or payment constituting the contribution is given or made with respect to an election for State office or otherwise is not subject to this Act.".

SEC. 111. INTERMEDIARY OR CONDUIT AMENDMENTS.

Section 315(a)(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(8)) is amended—

(1) by redesignating paragraph (8) as paragraph (8)(A);

(2) in the first sentence of paragraph (8)(A), as so redesignated by paragraph (1), by striking out "For purposes" and inserting in lieu thereof Except as provided in subparagraphs (B) and (C), for purposes";

(3) in the second sentence of paragraph (8)(A), as so redesignated by paragraph (1), by striking out "The" and inserting in lieu thereof "In addition to any other report required by law, the"; and

(4) by adding at the end the following:

"(B) Except as provided in subparagraph (C), a contribution made by a person through an intermediary or conduit, as de-

scribed in subparagraph (A), shall be treated as a contribution by that person and as a contribution by the intermediary or conduit, if—

"(i) the contribution is in the form of a check or other negotiable instrument made payable to the intermediary or conduit; or

"(ii) the intermediary or conduit is a political committee, an officer, employee, or other agent of such a political committee, or an officer, employee, or other agent of a connected organization acting in its behalf.

"(C) Subparagraph (8) shall not apply to—

"(i) bona fide joint efforts conducted solely for the purpose of sponsorship of a fundraising reception, dinner, or other event by (I) two or more candidates, or (II) two or more national, State, or local committees of a political party acting on their own behalf; or

"(ii) fundraising efforts for the benefit of a candidate which are conducted by another candidate.".

SEC. 112. ENCOURAGEMENT AMOUNTS TO BE TREATED AS CONTRIBUTIONS.

Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)), as amended by section 111, is further amended by adding at the end of the following:

"(10) For purposes of paragraph (1)(A) and paragraph (2)(A), any contribution described in section 301(8)(A)(iii) shall be treated, with respect to the individual involved, as a contribution to a candidate, whether or not such individual becomes a candidate.".

SEC. 113. CONTRIBUTIONS TO CANDIDATES FROM STATE AND LOCAL COMMITTEES OF POLITICAL PARTIES TO BE AGGREGATED.

Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)), as amended by sections 111 and 112, is further amended by adding at the end the following new paragraph:

"(11) A candidate for Federal office may not accept, with respect to an election, any contribution from a State or local committee of a political party (including any subordinate committee of such committee), if such contribution, when added to the total of contributions previously accepted from all such committees of that political party, exceeds a limitation on contributions to a candidate under this section.".

SEC. 114. APPLICATION OF LIMITATIONS AND REPORTING REQUIREMENTS TO CERTAIN AMOUNTS NOT DEFINED AS CONTRIBUTIONS OR EXPENDITURES UNDER THE FEDERAL ELECTION CAMPAIGN ACT OF 1971.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"APPLICATION OF LIMITATIONS AND REPORTING REQUIREMENTS TO CERTAIN AMOUNTS NOT DEFINED AS CONTRIBUTIONS OR EXPENDITURES

"SEC. 324. (a) Any amount received or used by a State or local committee of a political party for an excluded payment shall be subject to limitation and reporting under this Act as if such amount were a contribution or expenditure, as applicable. No part of such amount may be allocated to a non-Federal account or otherwise maintained in, or paid from, an account that is not subject to this Act.

"(b) As used in this section, the term 'excluded payment' means—

"(1) any payment, including any part of such payment that is for a State or local candidate or political activity, that, under clause (x) or clause (xii) of section 301(8)(8), is excluded from the definition of the term 'contribution' and

"(2) any payment, including any part of such payment that is for a State or local candidate or political activity, that, under clause (viii) or clause (ix) of section 301(9)(8), is excluded from the definition of the term expenditure.".

SEC. 115. PROVISIONS RELATING TO SEPARATE SEGRATED FUNDS.

Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended—

(1) in subparagraph (8), by striking out "and" after the semicolon;

(2) by striking out subparagraph (C) and inserting in lieu thereof the following: "(C) the costs of establishment, for political purposes of a separate segregated fund by a corporation, labor organization, membership organization cooperative, or corporation without capital stock; and (D) administration and solicitation costs of such a fund, if amounts disbursed from the fund are used solely for communication or campaign costs under subparagraph (A) or (B), contributions with respect to elections for Federal or State office, or nonelection-related purposes.".

SEC. 116. DISCLOSURE IN SOLICITATIONS BY CERTAIN UNAUTHORIZED COMMITTEES.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended by adding at the end the following new subsection;

"(c) Whenever any political committee (other than an authorized committee or a committee of a political party) makes a communication that is a solicitation for contributions with respect to an election for Federal office, such person shall include in the communication a clear statement that neither the committee nor the communication is authorized by a candidate or under the control of a candidate.".

SEC. 117. SPECIFIC DISCLOSURE REQUIREMENTS FOR CERTAIN COMMUNICATIONS.

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) as amended by adding at the end the following new subsections;

"(d) A communication described in subsection (a)(I) or subsection (a)(2) that is broadcast over a television station shall include a photographic or similar image of the candidate. The image shall be—

"(1) readily identifiable as that of the candidate;

"(2) accompanied by the following statement: 'Paid for by . takes full responsibility for the content of this advertisement.', with the blanks to be filled in with the name of the political committee or other person paying for the communication, and the name of the candidate, respectively;

"(3) shown for a period of at least 4 seconds; and

"(4) of sufficient size to cover at least one-third of the television screen.

"(e) A statement described in subsection (a)(3) that is broadcast over a television station shall be—

"(1) in the following form: 'Paid for by . Not authorized by any candidate.', with the blank to be filled in with the name of the person paying for the communication and the name of any connected organization of that person;

"(2) shown continuously throughout the communication; and

"(3) of sufficient size to be clearly visible to the viewer.

"(f) Any statement described in subsection (a) that is contained in a newspaper, magazine, direct mailing, or other printed communication shall—

"(1) afford a reasonable degree of color contrast between the statement and the background of the communication; and

"(2) be printed in a minimum uniform character height of 0.20 inch.

"(g) A communication described in subsection (a)(I) or subsection (a)(2) that is broadcast over a radio station shall include the following statement: 'Paid for by ————. ———— takes full responsibility for the content of this advertisement.', with the blanks to be filled in with the name of the political committee or other person paying for the communication, and the name of the candidate, respectively.

"(h) A statement described in subsection (a)(3) that is broadcast over a radio station shall be in the following form: 'Paid for by ————. Not authorized by any candidate.', with the blank to be filled in with the name of the person paying for the communication and the name of any connected organization of that person.".

SEC. 118. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441h) is amended—

(1) by inserting after "SEC. 322." the following: "(a)"; and

(2) by adding at the end the following:

"(b) No person shall solicit contributions by falsely representing himself as a candidate or as an agent of a candidate, a political committee, or a political party.".

SEC. 119. CONTRIBUTION LIMITATIONS FOR SMALL DONOR POLITICAL COMMITTEES; ELIMINATION OF SPECIAL CONTRIBUTION LIMITATIONS FOR MULTICANDIDATE POLITICAL COMMITTEES.

(a) IN GENERAL.—Section 315(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)) is amended to read as follows:

"(2) A small donor political committee may make contributions to any candidate for Federal office and the authorized political committees of such candidate with respect to an election which, in the aggregate, do not exceed $5,000.".

(b) DEFINITION.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by adding at the end the following new paragraph:

"(20) The term small donor political committee means a political committee that has been registered under section 303 for at least 6 months, has received contributions from more than 50 persons, has made contributions to 5 or more candidates for Federal office, accepts contributions only from individuals, and does not accept contributions totaling more than $240 from any single individual in a calendar year.".

(c) CONFORMING AMENDMENTS.—

(1) Section 315(a)(I) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended by striking out "No" and inserting in lieu thereof "Except as provided in paragraph (2), no".

(2) Section 315(a)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(4)) is amended by striking out the second sentence.

SEC. 120. CLARIFICATION RELATING TO CERTAIN CONTRIBUTIONS.

Section 301(8)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(A)) is amended by adding at the end the following new sentence:

"For purposes of clause (i), a gift or other item referred to in that clause is for the purpose of influencing an election for Federal office if it is given in response to a solicitation that states or implies that it is to be used for that purpose, whether or not, by document or otherwise, the gift or other item is characterized as being for another purpose.".

SEC. 121. COORDINATED EXPENDITURES TO BE MADE ONLY FROM AMOUNTS SUBJECT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971.

Section 315(d) of the Federal Election Campaign Act (2 U.S.C. 441a(d)) is amended by adding at the end the following new paragraphs:

"(4) Any expenditure under this subsection may consist only of amounts that—

"(A) as received by the committee making the expenditure, are subject to limitation and reporting under this Act; and

"(B) are paid from an account that is subject to the requirements of this Act.

"(5) If any part of an expenditure is for a purpose provided for under this subsection, the entire expenditure (including any part for a State election or other purpose) shall be subject to the applicable limitation under this section.".

SEC. 122. ADDITIONAL EXCLUSIONS FROM THE DEFINITIONS OF CONTRIBUTION AND EXPENDITURE.

(a) CONTRIBUTION.—Section 301(8)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

(1) by striking out "and" at the end of clause (xiii);

(2) by striking out the period at the end of clause (xiv); and

(3) by adding at the end the following new clauses:

"(xv) any amount for a candidate for other than Federal office;

"(xvi) any amount in connection with a State or local political convention;

"(xvii) any campaign activity, including broadcasting, newspaper, magazine, billboard, mass mail, and newsletter communications, and similar kinds of communications or public advertising that is exclusively on behalf of State or local candidates;

"(xviii) administrative expenses of a State or local committee of a political party, including expenses for overhead, staff (other than individuals devoting a substantial portion of their activities to elections for Federal office), meetings, and conducting party elections or caucuses;

"(xix) research pertaining solely to State and local candidates and issues; and

"(xx) maintenance of voter files.".

(b) EXPENDITURE.—Section 301(9)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(9)(B)) is amended—

(1) by striking out "and" at the end of clause (ix);

(2) by striking out the period at the end of clause (x); and

(3) by adding at the end the following new clauses:

"(xi) any amount for a candidate for other than Federal office;

"(xii) any amount in connection with a State or local political convention;

"(xiii) any campaign activity, including broadcasting, newspaper, magazine, billboard, mass mail, and newsletter communications, and similar kinds of communications or public advertising that is exclusively on behalf of State or local candidates;

"(xiv) administrative expenses of a State or local committee of a political party, including expenses for overhead, staff (other than individuals devoting a substantial portion of their activities to elections for Federal office), meetings, and conducting party elections or caucuses;

"(xv) research pertaining solely to State and local candidates and issues; and

"(xvi) maintenance of voter files.".

SEC. 123. ADDITIONAL REPORTING REQUIREMENTS.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434) is amended by adding at the end the following new subsections:

"(d)(1) In addition to any other report required by law, each State committee of a political party shall file with the Commission—

"(A) any report of non-Federal receipts and disbursements filed by the committee under State law; and

"(B) such supplementary material as the Commission may require to assure compliance with this Act.

"(2) Each national committee of a political party shall file, as part of each report to the Commission, a statement of all receipts and disbursements by the committee in the reporting period, including receipts and disbursements for non-Federal purposes.

"(e)(1) Any individual who makes contributions that are subject to limitation under section 315(a) (3) shall report to the Commission in accordance with paragraphs (2) and (3) the information specified in paragraph (4).

"(2) Not later than 7 days after making contributions aggregating $20,000 or more, but less than $25,000, in a calendar year, the individual shall report to the Commission the information specified in paragraph (4).

"(3) Not later than 7 days after making contributions aggregating $25,000 in a calendar year, the individual shall report to the Commission, with respect to contributions not previously reported under paragraph (2), the information specified in paragraph (4).

"(4) The information required to be reported under this subsection is as follows: (A) the name of the person making each contribution, (B) the amount and recipient of each contribution.".

SEC. 124. TRANSFERS BETWEEN ELECTIONS.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 107(b), 108, 109, and 110 of this Act, is further amended by adding at the end the following new subsection:

"(m) Notwithstanding any other provision of this Act or any other law, a candidate may transfer any unexpended campaign funds for use with respect to any later election.".

TITLE II—AMENDMENTS TO THE COMMUNICATIONS ACT OF 1934 AND TITLE 39, UNITED STATES CODE

SEC. 201. AMENDMENT TO SECTION 312(a) OF THE COMMUNICATIONS ACT OF 1934, RELATING TO DISCRIMINATION AGAINST CONDIDATES.

Section 312(a) of the Communications Act of 1934 (47 U.S.C. 312(a)) is amended—

(1) in paragraph (6), by striking out "or" after the semicolon;

(2) in paragraph (7), by striking out the period at the end and inserting in lieu thereof "; or"; and

(3) by adding at the end the following:

"(8) for willful or repeated discrimination against such a candidate in the amount, class, or period of time made available to such candidate on behalf of his candidacy.".

SEC. 202. AMENDMENT TO SECTION 315 OF THE COMMUNICATIONS ACT OF 1934, RELATING TO CANDIDATE ACCESS.

Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended by adding at the end the following new subsection:

"(e) In providing access to use of a broadcasting station with respect to a campaign, a licensee shall give priority to legally qualified candidates for public office in connection with their campaigns.".

SEC. 203. AMENDMENTS TO SECTION 315 OF THE COMMUNICATIONS ACT OF 1934, RELATING TO USE OF BROADCASTING STATIONS BY CANDIDATES.

(a) USE OF BROADCASTING STATION.—Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended—

(1) by striking out "or" after the comma at the end of paragraph (3);

(2) by inserting "or" after the comma at the end of paragraph (4); and

(3) by adding after paragraph (4), the following:

"(5) debate between candidates,".

(b) CHARGES.—Subsection (b) of section 315 of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended by striking out "exceed—" and all that follows through the end of the subsection and inserting in lieu thereof the following: "exceed the charges for comparable use of such station by other users. In determining charges to legally qualified candidates for public office, a licensee may not take into consideration any charge for special or nontypical commercial use by other users.

(c) ADDITIONAL TIME.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315), as amended by section 202, is further amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e) and (f), respectively; and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) If, with respect to an election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, a licensee permits a qualifying House of Representatives candidate to purchase time for at least 2 political advertisements on a broadcasting station or cable system, the licensee shall make additional time for political advertisements on such broadcasting station or cable system available to such candidate in accordance with paragraph (2).

"(2) The time so made available shall be—

"(A) without additional cost to the qualifying House of Representatives candidate; and

"(B) equal in market value to one-half of the market value of the total time purchased.

"(3) As used in this subsection—

"(A) the term 'cable system' has the meaning given that term in section 602;

"(B) the term 'licensee', where used with respect to a cable system, means the operator of such system; and

"(C) the term 'qualifying House of Representatives candidate' has the meaning given that term in section 301 of the Federal Election Campaign Act of 1971.".

(d) EQUAL OPPORTUNITIES PROVISION.—Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)), as amended by subsection (a), is further amended by adding at the end the following new sentence: "In affording equal opportunities to candidates under this subsection, a licensee is not required to make time available to a candidate without cost because additional time is made available to a qualifying House of

Representatives candidate under subsection (c).

SEC. 204. AMENDMENT TO SECTION 315 OF THE COMMUNICATIONS ACT OF 1934 RELATING TO DISCLOSURE REQUIREMENTS FOR CERTAIN POLITICAL COMMUNICATIONS.

Section 315 of the Communications Act of 1934 (47 U.S.C. 315), as amended by sections 202 and 203, is further amended by adding at the end the following new subsection:

"(g) A licensee may not permit any use of a broadcasting station for a communication that is not in compliance with subsections (d), (e), (g), and (h) of section 318 of the Federal Election Campaign Act of 1971.".

SEC. 205. AMENDMENTS TO TITLE 39, UNITED STATES CODE, RELATING TO POSTAL RATES FOR CERTAIN ELECTION MATERIALS.

(a) IN GENERAL.—Subchapter II of chapter 36 of title 39, United States Code, is amended by adding at the end the following new section:

"§ 3629. Reduced rates for certain House of Representatives candidates

"(a) The rates of postage for matter mailed with respect to a campaign by qualifying House of Representatives candidate (as defined in section 301 of the Federal Election Campaign Act of 1971) shall—

"(1) in the case of first-class mail matter, be one-half of the rates otherwise applicable to such matter under this title; and

"(2) in the case of bulk third-class mail matter, be the same as the rates of postage for a qualified political committee under section 3626 of this title.

"(b) The reduced rates provided under subsection (a) of this section shall be available only with respect to matter mailed during the 90-day period ending on the day before the date of the election involved.".

(b) REVENUES FORGONE.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 2401(c) of title 39, United States Code, is amended by striking out "and 3626(a)-(h) of this title," and inserting in lieu thereof "3626(a)-(h), and 3629 of this title.

(2) OTHER AUTHORITY.—Section 3627 of title 39, United States Code, is amended by striking out "or 3626 of this title, and inserting in lieu thereof 3626, or 3629 of this title".

(c) AMENDMENT TO DEFINITION OF QUALIFIED POLITICAL COMMITTEE FOR CERTAIN RATE REDUCTIONS.—Section 3626(e)(2) of title 39, United States Code. is amended to read as follows:

"(2) As used in this subsection, the term qualified political committee means the principal campaign committee of a qualifying House of Representatives candidate (as defined in section 301 of the Federal Election Campaign Act of 1971).".

(d) TECHNICAL AMENDMENT.—The table of sections for chapter 36 of title 39, United States Code, is amended by inserting after the item relating to section 3628 the following new item:

"3629. Reduced rates for certain House of Representatives candidates.

SEC. 206. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986 RELATING TO THE CREDIT FOR CONTRIBUTIONS TO CERTAIN QUALIFYING HOUSE OF REPRESENTATIVES CANDIDATES.

(a) GENERAL RULE.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 23 the following new section:

"SEC. 24. CONTRIBUTIONS TO CERTAIN QUALIFYING HOUSE OF REPRESENTATIVES CANDIDATES.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the total of contributions to qualifying House of Representatives candidates which are made by the taxpayer during the taxable year, with respect to elections in the State of which the taxpayer is a resident.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall not exceed $50 ($100 in the case of a joint return under section 6013).

"(2) VERIFICATION.—The credit allowed by subsection (a) shall be allowed, with respect to any qualified political contribution, only if such contribution is verified in such manner as the Secretary shall prescribe by regulations.

"(c) DEFINITIONS.—For purposes of this section, the terms 'contribution' and 'qualifying House of Representatives candidate' have the meanings given those terms in section 301 of the Federal Election Campaign Act of 1971.".

(b) CONFORMING AMENDMENTS.—

(1) Section 642 of such Code (relating to special rules for credits and deductions of estates or trusts) is amended by adding at the end the following new subsection:

"(j) CREDIT FOR POLITICAL CONTRIBUTIONS NOT ALLOWED.—An estate or trust shall not be allowed the credit against tax provided by section 24.".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 23 the following new item:

"Sec. 24. Contributions to certain qualifying House of Representatives candidates.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 207. AMENDMENT TO SECTION 9003 OF THE INTERNAL REVENUE CODE OF 1986.

Section 9003 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(e) SPECIAL CONDITION RELATING TO NONACCEPTANCE OF CERTAIN FUNDS.—An individual who is a candidate referred to in subsection (a) shall not be eligible to receive any payment under section 9006 with respect to a presidential election, if, during any period in which the individual is a candidate (as defined in section 9001 or 9032) with respect to the election—

"(1) the individual directly or indirectly solicits or receives funds in connection with an election for Federal office or other political office; and

"(2) such funds are not subject to limitation and reporting under the Federal Election Campaign Act of 1971 or are allocated to a non-Federal account or otherwise maintained in, or paid from, an account that is not subject to that Act.".

TITLE III—EFFECTIVE DATE

SEC. 301. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by this Act shall apply with respect to elections for Federal office beginning with the general election of November 3, 1992 (and any primary election relating to such general election).

The CHAIRMAN. Only the following amendments to said substitute are in order and they shall be considered in the following order:

First, the amendments printed in part 2 of House Report 101-659, which shall be considered en bloc and shall not be subject to a demand for a division of the question; and

Second, the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of August 2, 1990, submitted by the gentleman from Illinois [Mr. MICHEL].

Said amendments shall be debatable for 1 hour each, equally divided and controlled by the proponent and a Member opposed, and shall not be subject to amendment.

AMENDMENTS EN BLOC OFFERED BY MR. SYNAR

Mr. SYNAR. Mr. Chairman, pursuant to the rule, I offer amendments en bloc.

The Clerk read as follows:

Amendment en bloc offered by Mr. SYNAR:

In section 315(k)(1) of the Federal Election Campaign Act of 1971, as proposed to be added by section 109, strike out "50 percent" and insert in lieu thereof "40 percent".

In section 315(k)(2) of the Federal Election Campaign Act of 1971, as proposed to be added by section 109, strike out "50 percent" and insert in lieu thereof "40 percent".

At the end of title I, add the following new sections:

SEC. 125. LIMITATION ON ACCEPTANCE OF POLITICAL COMMITTEE CONTRIBUTIONS, OTHER THAN SMALL DONOR POLITICAL COMMITTEE CONTRIBUTIONS, BY HOUSE OF REPRESENTATIVES CANDIDATES.

Section 315 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a), as amended by sections 107(b), 108, 109, and 110 of this Act, is further amended by adding at the end the following new subsection:

"(m) A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, and the authorized political committees of such candidate, may not, with respect to an election, accept contributions from political committees (other than small donor political committees) in excess of 10 percent of the limitation specified in subsection (i)(1)(A).".

SEC. 126. REDUCTION IN LIMITATION AMOUNT FOR INDIVIDUAL CONTRIBUTIONS TO CANDIDATES.

Section 315(a)(1)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(A)) is amended by striking out "$1,000" and inserting in lieu thereof "$500".

SEC. 127. FEDERAL ELECTION COMMISSION TO MAINTAIN CERTAIN REPORT INFORMATION IN COMPUTER FORMAT.

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by section 125 of this Act, is further amended by adding at the end the following new subsection:

"(f) The Commission shall—

"(1) maintain computer files of the report information referred to in subparagraphs (A) and (B) of paragraph (3) of subsection (b); and

"(2) make such files available to the public by remote access at reasonable cost.".

SEC. 128. NEW TITLE OF THE FEDERAL ELECTION CAMPAIGN ACT OF 1971.

The Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following:

"TITLE V—VOLUNTARY EXPENDITURE LIMITATIONS AND PARTIAL PUBLIC FINANCING FOR QUALIFYING HOUSE OF REPRESENTATIVES CANDIDATES IN GENERAL ELECTIONS

"ELIGIBILITY FOR PAYMENTS

"SEC. 501. (a) To be eligible to receive payments under section 504, a qualifying House of Representatives candidate shall, at the time of filing the statement of organization under section 303(b), agree in writing that the candidate and the candidate's authorized committees—

"(1) will deposit all payments received under this section in a separate checking account in a depository institution referred to in section 302(h)(1), which shall contain only amounts so received and from which all expenditures of such amounts shall be made;

"(2) will furnish campaign records, evidence of contributions and other appropriate information to the Commission; and

"(3) will cooperate in any audit and examination conducted by the Commission under section 505;

"(b) To be eligible to receive payments under section 504, a qualifying House of Representatives candidate shall certify to the Commission that—

"(1) the candidate and at least one other candidate have qualified for the general election ballot under State law; and

"(2) subject to subsection (c), the candidate has received $25,000 in contributions with respect to the general election (and any primary election relating to the general election) from individual residents of the State in which the general election is held.

"(c) For purposes of subsection (b), in determining the amount of contributions received by a candidate and the candidate's authorized committees—

"(1) no contribution other than a contribution of money made by a written instrument which identifies the individual making the contribution shall be taken into account;

"(2) no contribution by an intermediary or conduit under section 315(a)(8) shall be taken into account; and

"(3) no contribution shall be taken into account to the extent such contribution exceeds $50 when added to the amount of all other contributions made by the individual with respect to the election.

"ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

"SEC. 502. (a) An eligible candidate shall be entitled to—

"(1) matching payments under section 504 in an amount equal to the amount of contributions received by the candidate and the candidate's authorized committees, except that such payments may not exceed $100,000, and, in determining the amount of such contributions, the provisions set forth in subsection (c) of section 501 shall apply (except that the limitation in paragraph (3) of that section shall apply on a calendar year basis and only contributions from individual residents of the State in which the general election is held shall be taken into account); and

"(2) additional payments under section 504 in the amount of one dollar for each dollar of matching payments which a candidate is eligible to receive under paragraph (1), if any candidate (other than a qualifying House of Representatives candidate) receives aggregate contributions or makes aggregate expenditures in excess of $200,000 with respect to the general election.

"(b) Payments received by a candidate under this section shall be used only to defray expenditures incurred with respect to the general election for such candidate. Such payments shall not be used to make any expenditures other than expenditures to further the election of such candidate.

"CERTIFICATION BY COMMISSION

"SEC. 503. (a) Not later than one week after an eligible candidate files a request with the Commission to receive a payment under section 502, the Commission shall certify to the Secretary of the Treasury the eligibility of the candidate for payment in full of the amount to which the candidate is entitled. The request referred to in the preceding sentence shall contain—

"(1) such information and be made in accordance with the procedures, as the Commission may provide by regulation;

"(2) a verification, signed by the treasurer of the principal campaign committee of the candidate, stating that the information furnished in support of the request is correct and complies with the requirements of this title; and

"(3) a request for a payment for at least $10,000 except for the final payment request which may be for a lesser amount, if such request is filed for a payment under section 502(a)(1).

"(b) The Commission may not delay a certification under this section, unless the Commission determines that the request filed by the candidate is clearly incorrect.

"(c) Certifications by the Commission under subsection (a) and all determinations made by the Commission under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 505 and judicial review under section 506.

"ESTABLISHMENT OF ACCOUNT; PAYMENTS TO ELIGIBLE CANDIDATES

"SEC. 504. (a) The Secretary shall maintain in the Presidential Election Campaign Fund established by section 9006(a) of the Internal Revenue Code of 1986, in addition to any other accounts maintained under such section, a separate account to be known as the House of Representatives Election Campaign Account. The Secretary shall deposit in the account, for use by eligible candidates, the amounts available after the Secretary determines that the amounts in the Fund necessary for payments under subtitle H of the Internal Revenue Code of 1986 are adequate. The amounts designated for such account shall remain available without fiscal year limitation.

"(b) Upon receipt of a certification from the Commission under section 503, the Secretary shall promptly pay to the candidate from the account the amount certified by the Commission.

"(c) If at the time of a certification by the Commission under section 503 for payment to an eligible candidate, the Secretary determines that the moneys in the account are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from such payment the amount necessary to assure that each eligible candidate will receive a pro rata share of the candidate's full entitlement. Amounts so withheld shall be paid when the Secretary determines that there are sufficient moneys in the account to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient moneys in the account to satisfy the full entitlement of an eligible candidate, the amounts so withheld shall be paid in such manner that each eligible candidate receives a pro rata share of the full entitlement.

"EXAMINATION AND AUDITS; REPAYMENTS

"SEC. 505. (a)(1) After each general election, the Commission shall conduct an examination and audit of the campaign accounts of 10 percent of the eligible candidates, as designated by the Commission through the use of an appropriate statistical method of random selection, to determine whether such candidates have complied with the conditions of eligibility and other requirements of this title. In selecting the accounts to be examined and audited, the Commission shall select all candidates in a general election where any eligible candidate is selected for examination and audit.

"(2) After each special election, the Commission shall conduct an examination and audit of the campaign accounts of all candidates in the election if any candidate is an eligible candidate to determine whether the candidates have complied with the conditions of eligibility and other requirements of this title.

"(3) The Commission may conduct an examination and audit of the campaign accounts of any eligible candidate in a general election if the Commission, by an affirmative vote of 4 members, determines that there exists reason to believe that such candidate has violated any provision of this title.

"(b) If the Commission determines that any amount of a payment to a candidate under this title was in excess of the aggregate payments to which such candidate was entitled, the Commission shall so notify the candidate, and the candidate shall pay to the Secretary an amount equal to the excess.

"(c) If the Commission determines that any significant amount of a payment to a candidate under this title was not used as provided for in this title, the Commission shall so notify the candidate and the candidate shall pay to the Secretary an amount equal to 200 percent of the amount involved.

"(d) The Secretary shall deposit all payments received under this section in the House of Representatives Election Campaign Account.

"JUDICIAL REVIEW

"SEC. 506. (a) Any agency action by the Commission made under this title shall be subject to review by the United States District Court for the District of Columbia upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought.

"(b) The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551(13) of title 5, United States Code, by the Commission.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 507. (a) The Commission is authorized to institute actions in the district courts of the United States to seek recovery of any amounts determined under section 505 to be payable to the Secretary.

"(b) The Commission is authorized to petition the courts of the United States for such

injunctive relief as is appropriate to carry out this title.

"(c) The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"REPORTS TO CONGRESS; REGULATIONS

"SEC. 508. The Commission shall, as soon as practicable after each election, submit a full report to the House of Representatives setting forth—

"(1) the amounts certified by the Commission under section 503 for payment to each eligible candidate; and

"(2) the balance in the Presidential Election Campaign Fund and any account maintained in such Fund.".

At the end of title II, add the following new sections:

SEC. 208. INCREASE IN PRESIDENTIAL ELECTION CAMPAIGN FUND INCOME TAX CHECKOFF.

(a) IN GENERAL.—Section 6096(a) of the Internal Revenue Code of 1986 is amended by striking out "$1" each place it appears and inserting in lieu thereof "$3" and by striking out "$2" and inserting in lieu thereof "$3" and by striking out "$2" and inserting in lieu thereof "$6".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to income tax liability for taxable years beginning after December 31, 1990.

SEC. 209. REPORT TO CONGRESS ON THE EFFECTIVENESS OF CERTAIN REPORTING AND DISCLOSURE REQUIREMENTS OF THE FEDERAL ELECTION CAMPAIGN ACT OF 1971.

Not later than 6 months after the date of the enactment of this Act, the Federal Election Commission shall submit to the Congress a report containing—

(1) an analysis of the effectiveness of the provisions of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) that require reporting and disclosure of the occupation and employer of an individual who makes contributions subject to that Act;

(2) a description of any administrative action the Commission intends to implement to improve compliance with such requirements; and

(3) a draft of legislation (including technical and conforming provisions) recommended by the Commission to improve the provisions referred to in paragraph (1).

In lieu of title III, insert the following:

TITLE III—EFFECT OF PARTIAL INVALIDITY, EFFECTIVE DATE, AND SUNSET PROVISIONS

SEC. 301. EFFECT OF PARTIAL INVALIDITY.

If any amendment made by section 109, 126, 127, 129, or 208, or the application of such amendment with respect to any person or circumstance, is held invalid by a final decision of the courts of the United States, no amendment made by any such section and no application of any such amendment shall be valid with respect to any person or circumstance, and, from and after the effectiveness of such decision, the provisions of law amended by such sections shall be in effect as if this Act had not been enacted.

SEC. 302. EFFECTIVE DATE AND SUNSET PROVISIONS.

(a) IN GENERAL.—Except as otherwise provided in this Act, the amendments made by this Act shall apply with respect to elections for Federal office beginning with the general election of November 3, 1992 (and any primary election relating to such general election).

(b) SPECIAL RULE AND SUNSET PROVISION.—The amendments made by sections 109, 126, 127, and 129, shall take effect on January 1, 1991, and shall cease to have effect on January 1, 1999, unless extended by law. The amendments made by such sections and the amendment made by section 208 shall be repealed, effective January 1, 1999, unless extended by law, and from and after such repeal, the provisions of law amended by such sections, including section 208, shall be effective as if this Act had not been enacted.

Mr. SYNAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendments en bloc be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. Pursuant to the rule, the gentleman from Oklahoma [Mr. SYNAR] will be recognized for 30 minutes and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oklahoma [Mr. SYNAR].

Mr. SYNAR. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. OBEY], the cosponsor of the amendments.

The CHAIRMAN. Before the gentleman from Wisconsin [Mr. OBEY] proceeds, does the gentleman from Minnesota [Mr. FRENZEL] seek the time in opposition?

Mr. FRENZEL. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Minnesota [Mr. FRENZEL] will be recognized for 30 minutes in opposition to the amendments en bloc offered by the gentleman from Oklahoma [Mr. SYNAR].

Mr. OBEY. Mr. Chairman, the purpose of this amendment is to strengthen the Swift package, which we fully support, and weaken the clout of the high rollers in this country on American politics, especially within this Chamber, and give average Americans a better opportunity than they have had over the last 15 years to actually have their voices heard on this floor.

Mr. Chairman, the amendments limit the amount of campaign spending which candidates may take from PAC's to 40 percent, and it imposes a further limit on PAC's by saying that only 10 percent of their campaign money can come from any PAC that accepts a contribution larger than $240. It cuts the maximum individual contribution allowed from $1,000 to $500. It provides that every $50 contribution from an individual within a State, $50 or less, will be matched with public financing. The public financing portion of this package is temporary, it is limited, and it is voluntary. It is temporary because it sunsets in 8 years so that we, in effect, say to the American public that we are not making a judgment on the public financing system. This is an idea which will be tested to help cleanup campaign financing. We are going to test it. It sunsets unless the public demonstrates dramatic support for it, which would lead the Congress to renew it. It is voluntary because, if a taxpayer does not want his taxpayer dollars used for this, he simply does not check the box, and his tax money is not used. My colleagues would have to go through the private sector and first obtain contributions in the private sector from individuals of less than $50 before we can receive any match.

Mr. Chairman, I have been in the business of campaign finance reform for about 15 years. The last bill that passed the House that would have been a major transformation of the campaign law was the Obey-Railsback bill in the 1970's. This package tonight in many ways reflects a lot of what I have learned over that 15-year period.

Mr. Chairman, one thing I have learned is that the issue is not whether one gives individually or through PAC's. The issue is how much influence the very wealthiest people in this society have on the political process, whether they give individually or collectively.

We could have zeroed out PAC's. Only two problems with that. First, it is clearly unconstitutional, and, secondly, PAC's are changing the way they do business, and so it would have no practical effect.

I had one PAC director in my own State tell me, "OBEY, 5 years from now we're not going to contribute a single dime through our PAC. The way we do it is we send out our message, mailings, seven or eight times a year, tell the people who the good guys are, who the bad guys are. We work through our local organizers. We get a pretty good idea whose going to contribute how much, and then, after filing day, we said, 'OK, boys, hit the button,' money goes out to the candidate, it never runs through the PAC, but it was delivered by the PAC nonetheless."

So, Mr. Chairman, as a practical matter, I have learned, as a prime mover and campaign reformer for 15 years, that, if we zero out PAC's, we do nothing but drive the money trail underground. We are fooling ourselves. We would hide where the money comes from and where it goes.

Second, Mr. Chairman, we would not solve the problem. Drexel-Burnham, for instance, contributed $122,000 from their PAC's last year to help candidates. They contributed $300,000 through individual corporate office holders. Solomon Brothers contributed $120,000 through their PAC last year. They contributed $280,000 through individual corporate executive contributions.

So, Mr. Chairman, we do not solve the problem that way.

There is another phony argument which goes, "Why don't you lower the PAC level to $1,000 instead of $5,000?"

Mr. Chairman, I will tell my colleagues what that means. That means, if there are 100 guys working in a papermill, they get together and, through their PAC's, contribute $10 apiece so it can go to their Congressman. They have $1,000. It means one guy in the front office making $100,000 can cancel out the contributions of 100 guys who work every day in the shop for a living. That is not a balanced system. That is not fair. That is what the Republicans are trying to set up in their package.

Mr. Chairman, the fact is that Mr. Keating and his associates, Keating of the S&L scandal, did not exercise his influence through PAC's. Keating and a bunch of his cronies got together, contributed $200,000 individual contributions of $750 or more.

The key to successful campaign finance reform is balance. What our amendment does is to bring PAC's down to 40 percent of the allowable spending level, and then it says that you get the difference, not by going to the highest income people, in this country as the Republican plan would encourage, but you get the difference by going to regular people through this country, and ask them for a tiny contribution, $50 or less, so that we truly spread the influence around, down to the average family in the country. We help them maximize their ability to compete with the big boys. We help them to maximize their ability to compete with the well-off and the well-connected. That is what compaign finance reform ought to be.

The test is whether we limit the influence of the wealthy. The test is whether we stop turning elections into auctions. This amendment meets both tests because, together with the spending limits—which are crucial if we want to reform politics—it helps to take all political candidates, both incumbents and nonincumbents, off the money trail. It democratizes the system. It recognizes that we have legitimate interests in this country. But it requires balance with other individual forces.

Most of all, Mr. Chairman, it reduces the influence of the wealthiest 1 percent of people in this country who have dominated tax policy, dominated regulatory policy, dominated all other policy, in this country for the last 10 years, a decade of excess, a decade of ripoffs, which came about in very large part because the wealthiest people in this country have the most influence. That is what this amendment will help bring to an end.

Mr. Chairman, I urge my colleagues' support.

Mr. FRENZEL. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, it is interesting to note that the wealthiest people in this country have controlled politics and elected this wonderful Democrat majority over here. I hope they are enjoying the base of their support.

Mr. Chairman, we have here a pretty simple matchup. It is a little more difficult to compare Michel and Swift because the rule forces us to look at comprehensive packages and compare one against the other. Obey-Synar is pretty simple because all it does is lay the Swift bill a series of new costs, new expenses, for the taxpayer.

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It has been said by some of the speakers here, although I was surprised to hear it, that the public would like to have the taxpayers pay the costs of the same old Members of Congress getting reelected.

Mr. Chairman, for 10 years, between 1977 and 1986, an institution called the Civic Service Inc. made a poll and they asked the same question. The question was:

It has been proposed in Congress that the Federal Government provide public financing for congressional campaigns for the U.S. House of Representatives and the Senate. Would you approve or disapprove of the proposal to use public funds, Federal money, to pay the cost of congressional campaigns and how strongly do you feel?

Now, the strongest the public felt in favor of that was in 1977, when 32.5 percent approved and the strongest disapproval was registered in 1986, when 70.6 percent disapproved. As a matter of fact, the figures were so close over the 10 years that polling was abandoned because it was quite clear that the public had a pretty clear and certain opinion that taxpayer financing of elections was a bad deal.

Looking at the last year, one might say, well, probably all Republicans were opposed and some of us wonderful Democrats were for it. Actually, the Republicans were opposed by 72.2 percent and the Democrats slightly higher in opposition at 74.3 percent.

Now, that is one example of the popularity of taxpayer financing of elections. It just is not there. The people do not want their elections controlled by the bureaucracy and they expect that the incumbents are going to feather their own nests with the taxpayers' money.

But there is a better poll of whether people like taxpayer funding of elections. It occurs each April 15, or as close to that as you file your income tax. That is: How many people check off on their income tax that they want a buck to go into the Federal fund to pay for Presidential elections?

Now, at no time has that number gone over 30 percent, and in the last year, last year only 20 percent of Americans checked off, 80 percent decided it was a lousy idea, and the 20 percent who voted for it did so secure in the knowledge that they did not have to pay the extra dollar.

Mr. OBEY. Mr. Chairman, will the gentleman yield on that point?

Mr. FRENZEL. I yield briefly to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would ask the gentleman what percentage of Americans give individually to any candidate for public office? Is it not considerably less than the 20 percent who check off on the income tax? Does not the income tax checkoff have a far better record of participation than the other system in existence now?

Mr. FRENZEL. I do not have the figures, but it is pretty hard to avoid the checkoff when it is stuck on your tax form and sent to your house, and yet 80 percent of those who get it manage to avoid it. It is astonishing.

Now, I cannot send an appeal to everybody in my district, so I do not know how to compare those who contribute to me with those who contribute or think they contribute through the checkoff.

But, Mr. Chairman, I want to go deeper than that. I want to go to the States which had systems that said, OK, you can participate through your tax form, but it will cost you some money.

The State of Maine has such a program.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. FRENZEL. Mr. Chairman, I yield myself 1 additional minute.

Its participation rate is 1.06 percent. I doubt the gentleman from Wisconsin will challenge that private contributions are less than 1.06 percent.

Massachusetts, another late great State, has less than 2 percent.

The chairman's own State of Maryland used to have a program, but it did not work. Nobody contributed to it, so they threw it in the ashcan. In fact, they still have $2 million laying around somewhere that they do not know what to do with.

The CHAIRMAN. The gentleman is correct.

Mr. FRENZEL. Well, that is the public approval of this wonderful system of public financing.

I want to get to one other point about public financing, and that is the cost. It is not just what you give to the candidates, the same old people who have been in Congress before that is the cost; CBO has estimated that cost from $25 million in 1987. But there is also the extra cost of administration.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.