

THE REPUBLICAN CONGRESSIONAL CAMPAIGN REFORM ACT OF 1989

MAJOR PROVISIONS:

Restrictions on Political Action Committees

Lower the PAC contribution limit to \$1,000 from \$5,000 per candidate per election.

Require PACs to give their members the names and addresses of all federal candidates and the national political parties; and require PACs to let their members "earmark" their contributions for particular parties.

Raised Individual Contribution Limit in Congressional Elections

Increase the individual contribution limit for Congressional candidates to \$2,000 from \$1,000 per election.

Broadcast Discount/Campaign Cost Reduction

Allow Presidential and Congressional candidates to purchase non-preemptible time at the lowest unit charge for preemptible time, in the last 45 days before the primary and the last 60 days before the general election.

Full Disclosure of "Soft Money" Spending

Require corporations, PACs, labor organizations, and non-profits to report all spending "for the purpose of influencing a federal election" through soft money activities, including voter drives, telephone banks, and membership communications.

Strengthened Disclosure of Party Finances

Require complete disclosure by all national political party committees of receipts, expenditures, and soft money activities in Presidential and Congressional elections.

Enlarging the Role of Political Parties

Increase the limit on "coordinated expenditures" by national political parties to \$0.05 from \$0.02, multiplied by the voting age population of each state, and to \$25,000 from \$10,000 for Representatives from states with more than one Representative.

Prohibition against Bundling

Prohibit all bundling of contributions, except by political party committees.

Controls on Independent Expenditures

Define "independent expenditure" to prohibit consultation with a candidate or his agents; and require the FEC to hold a hearing within three days of any formal complaint of collusion between an independent expenditure committee and a candidate.

Require all independently-financed political communications to disclose the person or organization financing it; require that disclosure be complete and conspicuous; and require timely notice to all candidates of the communication's placement and content.

Constrict the "Millionaire's Loophole"

Require Presidential and Congressional candidates to declare upon filing for an election whether they intend to spend or loan over \$250,000 in personal funds in the race; raise the individual contribution limit to \$10,000 from \$2,000 for all opponents of a candidate who declares such an intention.

Prohibit candidates from recovering personal funds or loans put into their race from contributions raised after the election.

The effective date of this legislation shall be November 7, 1990.



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, FIRST SESSION

Vol. 135

WASHINGTON, WEDNESDAY, JANUARY 25, 1989

No. 6

Senate

Mr. DOLE. Mr. President, each Senator who served during the 100th Congress became familiar with the issue of campaign finance reform. Time and time again we voted on this issue, but, over the course of a record 9 cloture votes, we saw little movement on either side.

BIPARTISAN CONCERNS

Mr. President, we gained a lot from these discussions. We learned that Members from both parties are concerned about the growing perception that Members of Congress are "bought and paid for" by PAC's and special interests. Both parties are concerned about rising campaign costs, and both are concerned about declining voter turnout.

The debate generated by S. 2, the Democrats' bill, and S. 1672, the 1987 Republican bill, and other proposals has enabled us to identify areas where there is general bipartisan agreement about the need for reform and the kinds of solutions that are appropriate.

Tightening restrictions on independent expenditures and bundling and increasing disclosure requirements on so-called "soft money" expenses are examples of areas where we have reached consensus. But, this issue is fundamentally partisan because it affects how candidates are elected.

REPUBLICAN CONCERNS

It is no secret that the Democratic Party holds the majority in both Houses of Congress. It follows that proposals favoring incumbents tend to favor the Democrats. As Republicans serving in the minority, our objections to the current system and to most of the Democratic proposals are that they tend to favor incumbents.

A REPUBLICAN ALTERNATIVE

In the past, some have suggested that, in opposing S. 2 and other Democratic proposals for reform, Republicans were acting as obstructionists—that we were critics rather than participants in the process. My response to those critics is look at the record.

Senator Barry Goldwater worked with Senator BOREN on the original campaign finance reform bill that

began this whole process. The Republican bill I introduced in 1987 contained an outline for real reform—not incumbent protection. Over the past 2 years, Senator McCONNELL, Senator PACKWOOD, Senator STEVENS, and others, have introduced reform initiatives that have changed the framework of the debate.

S. 7

Like earlier Republican proposals, the bill that Senator STEVENS, Senator McCONNELL, and I are introducing today is designed to bring the individual back into the process. We believe that it is the main street American—not the Wall Street executive, the labor union boss, or the PAC director—who should ultimately have the influence in the electoral process.

The declining voter turnout we have witnessed over the past few elections is evidence of growing public disillusionment with the current system. I believe that the best way to promote voter participation is to encourage direct contact between candidates and voters.

The Dole-Stevens-McConnell bill is designed to do just that.

MAJOR PROVISIONS

This legislation contains a number of provisions from earlier bills, but on the tough issues it goes much further. Like the 1987 Dole bill, S. 7 reduces PAC contributions, adjusts individual contributions, imposes strict disclosure rules on soft money expenditures, tightens restrictions on independent expenditures, and closes the millionaire's loophole.

But, there are some important differences between the provisions in this bill and those we have seen in the past, and there are some additional provisions which we have included to make this a more comprehensive proposal.

PACS

Last year, I cosponsored Senator McCONNELL's bill that eliminated PAC contributions to candidates altogether. The Republican bill, which I introduced in 1987, decreased the maximum contribution a PAC could give to a candidate from \$5,000 to \$3,000 per

election.

In addition to further reducing PAC limits, this legislation takes control of the purse strings away from the PAC director and gives it back to the individual contributor.

If S. 7 were enacted, the maximum PAC contribution would drop from \$5,000 to \$1,000 per candidate per election. In addition, individual PAC contributors would be allowed to earmark their contributions to specific candidates or parties, giving them greater influence over where their money actually goes.

INDIVIDUAL CONTRIBUTIONS

The \$1,000 contribution limit for individuals was first enacted in 1971. I supported the idea of contribution limits then, and I support them now. But, I think some adjustment should be made which puts these limits more in line with original congressional intent.

Inflation is an obvious consideration. There is no doubt that \$1,000 in 1988 does not pack the same punch as \$1,000 did in 1971. According to the Consumer Price Index at the Bureau of Labor Statistics--U.S. Department of Labor--\$2,940 in November 1988 had the same purchasing power as \$1,000 did in November 1971. Because campaign costs have been rising more quickly than inflation over this period, one could argue that \$1,000 is worth even less to a 1988 campaign.

It is time to reexamine the current limits. Our bill would increase the individual contribution limit from \$1,000 to \$2,000. Keep in mind, that this is only a partial--51-percent inflation adjustment, but it does recognize the dramatic increase in campaign costs that has occurred over the past 18 years.

The combination of this increase and the reduction in the pac contribution limits should shift the focus away from the special interests toward individual voters. In my view, that's the kind of change that is necessary for real reform.

BROADCAST DISCOUNT

Everyone knows that campaign costs are on the rise. A study completed in June 1988, indicated that the total cost of House and Senate campaigns more than doubled between 1978 and 1986. The lion's share of this increase is directly attributable to television advertising.

Over the past 8 years, television advertising costs more than tripled, making these costs the largest single component in most campaign budgets. Television advertising alone eats up more than one-half of all the money spent in a campaign.

In 1971, Congress passed a bill that

was designed to guarantee candidates the lowest rate available for television advertising. However, broadcasters have changed the way they sell advertising time so dramatically that the 1971 law has become basically irrelevant.

Last year, Senator McConnell introduced the Campaign Cost Reduction Act, S. 2657, which was designed to modify current law to reflect the intent of the original broadcast discount provision. Making these changes will serve the added purpose of helping candidates contain soaring campaign costs.

In my view, Senator McConnell's bill makes a lot of sense. That's why we made it part of S. 7.

MILLIONAIRE'S LOOPHOLE

The explosion in campaign costs has also affected the composition of the House and the Senate. In recent years, both have turned into so-called millionaire's clubs. Wealthy candidates who can freely spend large sums of their personal money on their own campaigns have an advantage because they can fend off otherwise qualified candidates who lack that kind of personal wealth.

We have tried to come up with a way to discourage self-financed campaigns.

Earlier Republican bills which placed absolute limits on what individual candidates could contribute to their own elections clearly had constitutional problems. So, now we are trying a different approach.

Under the Congressional Campaign Reform Act, congressional candidates would be required to declare their intent to spend or loan over \$250,000 of their personal funds in the race at the same time that they file for candidacy. If a candidate chooses to spend more than this amount, the individual contribution limit for his or her opponent would increase from \$2,000 to \$10,000.

PUBLIC DISCLOSURE

Increasing public disclosure of all receipts and expenditures that affect an election is an essential part of this package. It seems to me that increasing accountability for all campaign-related expenses, whether they are independent expenditures, or so-called soft money contributions by a corporation, a PAC or a labor union, is fundamental to the integrity of the system.

These requirements have been part of the Republican approach to this issue since the beginning, and I think this is one area where both parties now agree.

STRENGTHENING THE PARTIES

As the final part of our reform package, we have included some new ideas

that are designed to strengthen the role of the political parties in federal elections, a change advocated by a number of neutral, academic observers who study our political system.

S. 7 raises the cap on the amount of money parties can give to candidates, giving candidates an opportunity to spend more time discussing the issues with constituents and less time raising money.

The simple fact is that campaign costs are on the rise. With this in mind, insulating candidates from some of the rigors of fundraising by providing a large contribution from one source without any begging or pleading is a reasonable approach.

THE PROBLEM WITH THE DEMOCRAT'S PROPOSAL

The Democrats complain that there is too much money in the political system, and if you agree with their argument, the campaign spending limits they have proposed seem reasonable.

But, if you take a closer look and think about how spending limits would limit a challenger, you will see that spending caps overwhelmingly favor incumbents.

THE ELECTION RETURNS

Although we did have a certain amount of turnover here in the Senate, incumbents won a solid majority of the elections. Now, it may be that these returns reflect public support for the actions of the 100th Congress, or the inability of both parties to recruit qualified candidates, or the inability of challengers to mount serious campaigns.

But, the numbers favoring incumbents in the U.S. House of Representatives are staggering. Of the 410 U.S. Representatives who sought reelection last year, only 8 were defeated. In other words, more than 98 percent of all House incumbents seeking reelection successfully retained their seats.

Of those eight House Members who were defeated, three were under indictment, and one was actually convicted. Now, that's job security.

Last December, President Reagan said, "with a 98 percent rate of reelection, there is less turnover in the House [of Representatives] than in the Supreme Soviet." I think Ronald Reagan raised a valid point. How can Government be responsive when incumbents have a virtual lock on the political process?

It is time to face the facts.

INCUMBENT ADVANTAGES

Incumbents already enjoy a number of tangible benefits that are not available to challengers. In 1988, the average U.S. Representative spent roughly \$410,000 on personal professional staff. In the Senate, 1988 personal staff budgets ranged from \$695,000 to

\$1.4 million, depending on State population.

Franking privileges are another bonus. In election years, franked mail pours out of congressional offices. Between 1987 and 1988 congressional use of franked mail jumped from \$63.6 to \$113.4 million, a 78.3-percent increase. Other incumbent advantages include access to free media coverage and relatively high name recognition.

In my view, a challenger must at least have an opportunity to offset these advantages. Spending limits would take this opportunity away. If we are really concerned about money tainting the system, we ought to focus on the source of campaign funds, not the amount of money a candidate receives.

ENSURING THAT CHALLENGERS HAVE ACCESS

Although I am a Republican who insists on a two-party system, my interest is not simply a partisan one.

I believe that ensuring access to the electoral process is a fundamental part of democracy. The bottom line is that if our system of government is going to work, challengers must have an opportunity to compete for elected office.

Just as U.S. businesses want a level playing field in the international marketplace, we want a level playing field in the political arena. Our basic philosophy is: Give challengers access and let the people decide.

In my view, that's what the Founding Fathers envisioned when they wrote the Constitution, and that's what democracy is all about.

CONCLUSION

I ask my colleagues to look at this package carefully. In my view, it contains all of the elements for real reform.

It directly addresses the issue of influence by the special interests;

It encourages candidates to focus their attention on individual voters;

It tries to contain campaign costs, while ensuring that challengers have a chance to compete in the political arena; and

It places limits on independent expenditures, "bundling" and "soft money" contributions and tightens disclosure requirements on those that are allowed.

The bottom line is that the Congressional Campaign Reform Act of 1989 is fair to both political parties, to incumbents and challengers alike.

I urge my colleagues on both sides of the aisle to support this important piece of legislation.