

known for years: there is too much money in politics. In the last election, the average winning House candidate raised \$919,649 toward his or her election. The average winning Senate candidate raised \$7,345,468. With this much money in politics, it is virtually impossible for elected officials to remain unaffected by the disproportionate influence of those who wield tremendous wealth. If only we were raising these millions of dollars to provide health insurance for our nation's children. Now that would be a worthy expenditure of funds.

If our government is truly to remain "of, by and for the people," then we must ensure that the people, not corporate donors, are responsible for electing their leaders. The Bipartisan Campaign Reform Act of 2001 will go a long way toward ensuring this goal. I will vote for this very important bill and I urge my colleagues to do the same.

Mr. DINGELL. Mr. Chairman, I rise today in strong support of the Shays-Meehan substitute. This is historic legislation, one of the most important reform bills in a generation.

I also wish to thank Mr. SHAYS and Mr. MEEHAN for their hard work and dedication to ensuring that we have a fair process and the opportunity to make meaningful reforms to our campaign finance laws this year. I also congratulate Mr. Turner and the Blue Dogs on a successful discharge petition.

Mr. Chairman, the Republican and Democratic parties raised nearly half a billion dollars in soft money during the 1999–2000 election cycle. Of this amount, over 473 million was given by 147 individuals in amounts of \$500,000 or more. This influx of unregulated soft money, no matter where it comes from, taints us all individually, and collectively works to increase the public's cynicism and destroy faith in Congress.

Today we have the opportunity to pass a complete ban on federal soft money and reign in sham issue ads. Shays-Meehan is the only bill before us today that will accomplish these goals. It is important to note that this bill also protects the ability of state and local parties to promote voter registration and get out the vote activities on election day, and assure the fullest possible participation in our democracy. I urge all Members to support Shays-Meehan and vote down all poison pill amendments.

Mr. BORSKI. Mr. Chairman, I rise in strong support of the Shays-Meehan Campaign Finance Reform Act and urge my colleagues to vote against all "poison pill" amendments that will be offered today. I am proud to cosponsor this bipartisan legislation, which represents the best, real opportunity to reform our broken campaign finance system.

The issue of campaign finance reform cuts to the essence of democracy. Our unique American political system will not survive without the participation of the average American citizen. Unfortunately, more and more Americans are dropping out—with each election, fewer Americans are voting. They are doing so because they no longer believe that their vote matters. As they see more and more money pouring into campaigns, they believe that their voice is being drowned out by wealthy special interests.

Despite the cynicism of the American public, Congress has failed to enact significant campaign finance reform legislation since 1974. In that year, in the wake of the Watergate Scandal, Congress imposed tough spending limits on direct, "hard money" contributions to can-

didates. Unfortunately, no at that time foresaw how two loopholes in the law would lead to a gross corruption of our political system.

The first loophole is "soft" money—the unregulated and unlimited contributions to the political parties from corporations, labor unions, or wealthy individuals. "Soft" money allows wealthy special interests to skirt around "hard" money limits and dump unlimited sums of money into a campaign.

The unfolding Enron scandal provides a clear example of the pernicious influence of soft money. In the 2000 election cycle, Enron executives contributed \$1.7 million—70 percent of which came in the form of soft money. Most Americans see a clear link between these contributions and Enron's quest for special treatment by Congress. Clearly, the Enron scandal has eroded the public's confidence in their government.

Soft money is used to finance the second loophole in campaign finance law: sham issue advertisements. This loophole allows special interests to spend huge sums of money on campaign ads advocating either the defeat or election of a candidate. As long as these ads do not use the magic words "vote for" or "vote against," they are deemed "issue advocacy" under current law and therefore not subject to campaign spending limits or disclosure requirements.

During the 2000 elections, the television and radio airwaves were flooded with these sham issue ads—many of which were negative attack ads. Americans who see or hear these ads have no idea who pays for them because no disclosure is required. They drown out the voice of the average American citizen, and even sometimes of the candidates themselves. Without reform, we can certainly expect a huge increase in these sham issue ads.

The Shays-Meehan bill begins to restore public confidence in our electoral system by closing these two egregious loopholes. The bill bans all contributions of soft money to federal campaigns. Specifically, it bans national party committees from soliciting, receiving, directing or spending soft money.

Shays-Meehan also closes the "issue advocacy" loophole. It broadens the presently absurd definition of electioneering activity, or "express" advocacy, to include any communication that refers, in support or opposition, to a candidate. This would not prevent public organizations from running advertisements, but would ensure that ads clearly designed to influence an election are regulated under federal law. We have laws clearly designed to regulate and disclose campaign donations and expenditures, and no one should be allowed to evade them. Shays-Meehan would ensure that everyone involved in influencing elections plays by the same rules.

Opponents have argued that the Shays-Meehan bill undermines the First Amendment right of free speech. However, the Supreme Court has ruled that Congress has a broad ability to protect the political process from corruption and the appearance of corruption. It has upheld as constitutional the ability to limit contributions by individuals and political committees to candidates. The Supreme Court has also clearly permitted Congress to distinguish between issue advocacy on the one hand, and electioneering or "express advocacy" on the other.

The Meehan-Shays proposal will not cure our campaign finance system of all its evils—

and I certainly support more far reaching restrictions on campaign contributions and expenditures. However, the bill will take a modest but significant first step toward restoring integrity in our political system. It will limit the influence of wealthy special interests and help to restore the voice of average American citizens in our political process. In short, enactment of this legislation is essential to the survival of American democracy.

Mr. PAUL. Mr. Chairman, the Enron bankruptcy and the subsequent revelations regarding Enron's political influence have once again brought campaign finance to the forefront of the congressional agenda. Ironically, many of the strongest proponents of campaign finance reform are among those who receive the largest donations from special interests seeking state favors. In fact, some legislators who were involved in the government-created savings and loan scandal of the late eighties and early nineties today pose as born again advocates of "good government" via campaign finance reform!

Mr. Chairman, this so-called "reform" legislation is clearly unconstitutional. Many have pointed out that the First amendment unquestionably grants individuals and businesses the free and unfettered right to advertise, lobby, and contribute to politicians as they choose. Campaign reform legislation blows a huge hole in these First amendment protections by criminalizing criticism of elected officials. Thus, passage of this bill will import into American law the totalitarian concept that government officials should be able to use their power to silence their critics.

The case against this provision was best stated by Herb Titus, one of America's leading constitutional scholars, in his paper *Campaign-Finance Reform: A Constitutional Analysis*: "At the heart of the guarantee of the freedom of speech is the prohibition against any law designed to protect the reputation of the government to the end that the people have confidence in their current governors. As seditious libel laws protecting the reputation of the government unconstitutionally abridge the freedom of speech, so also do campaign-finance reform laws."

The damage this bill does to the First amendment is certainly a sufficient reason to oppose it. However, as Professor Titus demonstrates in his analysis of the bill, the most important reason to oppose this bill is that the Constitution does not grant Congress the power to regulate campaigns. In fact, article II expressly authorizes the regulation of elections, so the omission of campaigns is glaring.

This legislation thus represents an attempt by Congress to fix a problem created by excessive government intervention in the economy with another infringement on the people's constitutional liberties. The real problem is not that government lacks power to control campaign financing, but that the federal government has excessive power over our economy and lives.

It is the power of the welfare-regulatory state which creates a tremendous incentive to protect one's own interests by "investing" in politicians. Since the problem is not a lack of federal laws, or rules regulating campaign spending, more laws won't help. We hardly suffer from too much freedom. Any effort to solve the campaign finance problem with more laws will only make things worse by further undermining the principles of liberty and private property ownership.

Attempts to address the problems of special interest influence through new unconstitutional rules and regulations address only the symptoms while ignoring the root cause of the problem. Tough enforcement of spending rules will merely drive the influence underground, since the stakes are too high and much is to be gained by exerting influence over government—legally or not. The more open and legal campaign expenditures are, the easier it is for voters to know who's buying influence from whom.

There is a tremendous incentive for every special interest group to influence government. Every individual, bank, or corporation that does business with government invests plenty in influencing government. Lobbyists spend over a hundred million dollars per month trying to influence Congress. Taxpayer dollars are endlessly spent by bureaucrats in their effort to convince Congress to protect their own empires. Government has tremendous influence over the economy and financial markets through interest rate controls, contracts, regulations, loans, and grants. Corporations and others are "forced" to participate in the process out of greed as well as self-defense—since that's the way the system works. Equalizing competition and balancing power—such as between labor and business—is a common practice. As long as this system remains in place, the incentive to buy influence will continue.

Many reformers recognize this, and either like the system or believe that it's futile to bring about changes. They argue that curtailing influence is the only option left, even if it involves compromising freedom of political speech by regulating political money.

It's naive to believe stricter rules will make a difference. If members of Congress resisted the temptation to support unconstitutional legislation to benefit special interests, this whole discussion would be unnecessary. Because members do yield to the pressure, the reformers believe that more rules regulating political speech will solve the problem.

The reformers argue that it's only the fault of those trying to influence government and not the fault of the members of Congress who yield to the pressure, or the system that generates the abuse. This allows members to avoid assuming responsibility for their own acts, and instead places the blame on those who exert pressure on Congress through the political process—which is a basic right bestowed on all Americans. The reformer's argument is "Stop us before we succumb to the special interest groups."

Politicians unable to accept this responsibility clamor for a system that diminishes the need for them to persuade individuals and groups to donate money to their campaigns. Instead of persuasion, they endorse coercing taxpayers to finance campaigns.

This only changes the special interest groups that control government policy. Instead of voluntary groups making their own decisions with their own money, politicians and bureaucrats dictate how political campaigns will be financed. Not only will politicians and bureaucrats gain influence over elections, other non-deserving people will benefit. Clearly, incumbents will greatly benefit by more controls over campaign spending—a benefit to which the reformers will never admit.

Mr. Chairman, the freedoms of the American people should not be restricted because

some politicians cannot control themselves. We need to get money out of government. Only then will money not be important in politics. Campaign finance laws, such as those before us today, will not make politicians more ethical, but they will make it harder for average Americans to influence Washington. The case against this bill was eloquently made by Herb Titus in the paper referenced above: "Campaign-finance reform is truly a wolf in sheep's clothing. Promising reform, it hides incumbent perquisites. Promising competition, it favors monopoly. Promising integrity, it fosters corruption. Real campaign-finance reform calls for a return to America's original constitutional principles of limited and decentralized government power, thereby preserving the power of the people."

I urge my colleagues to listen to Professor Titus and reject this unconstitutional proposal. Instead, I hope my colleagues will work to reduce special interest influence in Washington and restore integrity to politics by reducing the federal government to its constitutional limits.

Mr. NADLER. Mr. Chairman, big money is a cancer on our political system that must be removed or we risk devolving into an oligarchy like so many other republics before us. It is the constant money chase and submission to the special interests that corrupts our system and makes our constituents lose faith in their government. It's why there is such disinterest in politics back home and such low voter turnout. Our constituents don't think we care about them. They think we only care about raising money. They believe that their participation, their voices, cannot count against the power of big money, and recent experience says they are right.

Once upon a time, when someone wanted to run for office, the first question we used to ask was what kind of political support can you generate. Now the first question we ask is how much money can you raise. Better yet, we find a rich candidate who'll finance his or her own campaign. It's impossible to run on good ideas alone anymore, you need millions of dollars to go with them. With this system we risk electing candidates less attuned to their communities than to their big contributors.

This is not a perfect bill, but it is a good first step. If we do not take this 1st step today, the history books may eventually say that like the Roman Republic, the United States had a good 200 to 250-year run at democracy, and then it degenerated into an oligarchy like all the rest. Don't let that happen. Pass Shays-Meehan and begin to restore integrity to our political process.

Mr. CUNNINGHAM. Mr. Chairman, today we are being asked to vote for a campaign finance reform bill. And, like most in this body, I see that we are currently at a place where special interest money is threatening our democracy. Votes should not and cannot be influenced by money. But in our fervor to achieve reform, let us not blindly support any piece of legislation that dons a reform mask. Rather, we owe it to our constituents to strip away the disguises and pass legislation that will actually accomplish the ends that it claims to achieve.

While I applaud the ends of the Shays-Meehan legislation—to get special interest money out of politics—I cannot support the means. What good is closing one loophole only to create 50 more in the process? Today, I implore my colleagues to look at the facts and take a

moment to understand what this legislation does. Please, look past the smoke and mirrors and understand the many problems with the Shays-Meehan bill.

Good intentions do not equal good legislation and passing bad legislation does not fix a problem—it merely creates more problems. Americans deserve better than the pretense of reform and I would hate to see this bill pass the House today, only to revisit the issue next year after we wake up to realize the monster we have created.

The Shays-Meehan legislation does not remove soft money from politics. Rather, it bans this contribution at the federal level, only to allow a union or a corporation to give up to \$10,000 at the county and state level. This means that a single union or corporation will be able to give more than \$30 million per election. In my estimation, not only does this not help the problem, it actually makes it worse. Instead of having a single national party collecting soft money, we will have 50 state parties collecting it. Their offices will line the streets of DC with union and corporate lobbyists throwing a parade with \$10,000 checks raining down like tickertape for every state party. Is this closing a loophole or making a mockery of our system?

Accountability is the key to reform. The problem with soft money is that it is hard to know where it is spent. When voters cannot discern where elected officials are getting the money to finance their campaign efforts, there is no accountability. By restricting the way that unions and corporations can participate in the political process openly, these interest groups will resort to issue advocacy and independent expenditures, activities that do not fall under any laws. Unlimited and unregulated resources can be devoted to these types of expenditures. With the passage of Shays-Meehan, accountability is out the window. We will push campaign-related activities made on behalf of candidates by outside groups into an abyss of unregulated anonymous money.

Mr. Chairman, I cannot in good conscience vote for a bill that is going to put more loopholes in a campaign finance system that has enough problems on its own. We need good legislation that still allows for political participation and that demands accountability. It is for this reason that I support the Ney-Wynn substitute. This legislation does not prohibit participation or force disclosure into oblivion. Rather, it sets reasonable caps on soft money contributions to national parties. Ney-Wynn allows national parties to perform one of their key functions of get-out-the-vote efforts and voter registration drives. These are efforts that are financed by soft money. Ney-Wynn allows soft money to national parties, but only to be used for these purposes. Furthermore, it regulates the types of independent expenditures that can be made by unions and corporations, specifically limiting television ads for longer than the mere 60 days as mandated under Shays-Meehan.

Ney-Wynn reforms our system of financing campaigns without loopholes but with sound policy. Mr. Chairman, I urge my colleagues to closely examine these two pieces of legislation. Bad legislation with a nice name is still bad legislation. The Ney-Wynn substitute contains real reform and real reform is what we need.

Mr. KIND. Mr. Chairman, since taking office, I have been a dedicated supporter of campaign finance reform, and I commend my