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**Campaign Finance Materials [6]**



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*In prep for Thursday's  
meeting w/ Cong*

THE WHITE HOUSE

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LEVEL 1 - 26 OF 64 STORIES

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August 5, 1995, Saturday, ALL EDITIONS

SECTION: NATIONAL NEWS, Pg. 6A

LENGTH: 474 words

HEADLINE: Focus on CONGRESS: A BUSY DAY Clinton pushing for campaign finance reform

BYLINE: Mike Christensen; WASHINGTON BUREAU

DATELINE: Washington

BODY:

President Clinton on Friday turned up the heat on Republican leaders in Congress for political reform by ordering public disclosure for lobbyists in the executive branch.

Clinton once again singled out House Speaker Newt Gingrich (R-Ga.) for allegedly dragging his feet on their agreement nearly two months ago in New Hampshire to establish a nonpartisan commission for lobbying and campaign finance reform.

"We continue to hope that the speaker will live up to his handshake," Clinton said at a news conference with two people he wants to appoint to the commission, Common Cause founder John Gardner and political scientist and author Doris Kearns Goodwin.

Gingrich replied that he is more interested in restructuring Medicare right now. "I'll have a paper by sometime this fall on how I think we ought to approach the whole campaign issue," Gingrich told reporters on Capitol Hill.

One reason Gingrich seems in no hurry to change the campaign finance system may be that his re-election committee has raised nearly \$ 870,000 in the past six months, most of it from business and medical interests.

Gingrich's committee has spent more than a half-million dollars in that time - as much as some House members pay for an entire campaign - much of it for his travel. Credit card reports listed 47 airline tickets, hotel bills, and \$ 1,370 to a Cadillac dealer on Long Island for transportation.

Other Republicans also are reaping a rich harvest from their newly won control of the House and Senate. Lawmakers who a year ago were demanding the abolition of political action committees (PACs), which were giving more heavily to Democrats, are now overrun with PAC contributions themselves.

"They know that money is the key to success, and they know that changing the game will disadvantage incumbents," said Ellen Miller of the Center for Responsive Politics, which monitors contributions.



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Rep. Charlie Norwood, a Republican freshman from Georgia who wangled a seat on the influential Commerce Committee, raked in just over \$ 267,000 in his first six months in office, almost half of it from PACs.

"My conservative beliefs fit very nicely with a lot of people up there with PACs and so forth, and I know they're contributing to us because of how I'm voting and what I'm doing," said Norwood, a dentist, who once contributed to a dental PAC himself.

Rep. John Linder, another Georgian and a member of the Rules Committee, raised \$ 207,000 in the past six months, close to triple what he received his first six months in office, when his party was in the minority.

"I never had a big incentive for campaign finance reform," Linder said. "It costs a lot of money to get your views out. McDonald's spent more money advertising hamburgers last year than was spent on all the political campaigns throughout the country."

GRAPHIC: Photo: President Clinton on Friday named Common Cause founder John Gardner (right) as his nominee to a commission on political reform. / Associated Press

LOAD-DATE: August 7, 1995



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July 7, 1995, Friday, ALL EDITIONS

SECTION: NATIONAL NEWS, Pg. 10A

LENGTH: 613 words

HEADLINE: CAMPAIGN FINANCING;  
Perks still in vogue for political contributors;  
Theory, reality: President Clinton has opposed rich donors buying;  
'access' to politicians - but his party is promising opportunities to rub  
shoulders with national leaders in exchange for largess.

BYLINE: Tom Raum; WASHINGTON BUREAU

DATELINE: Washington

BODY:

Bill Clinton railed against "cliques of \$ 100,000 donors" in 1992. Now his White House has the awkward job of defending a Democratic prize list for big contributors - ranging from dinner with the president for \$ 100,000 to socializing with Hillary Rodham Clinton or Tipper Gore for \$ 1,000.

Public interest groups denounced the fund-raising effort by the Democratic National Committee as blatant influence peddling, coming just a month after Clinton shook hands with House Speaker Newt Gingrich in calling for a commission to recommend lobbying and campaign financing reforms.

The Democratic committee and the White House defended the technique Thursday as standard procedure.

"We support the party and conduct normal fund-raising procedures that have been used by both parties," said Mary Ellen Glynn, deputy White House press secretary.

Critics suggested the Democratic list of options was particularly brazen.

"President Clinton knows it's wrong and we are calling on the president to immediately end these fund-raising practices," said Ann McBride, president of Common Cause. "This stuff is outrageous."

The fund-raising appeal was sent to big party contributors under a cover letter from Don Fowler, party national chairman, and Sen. Christopher J. Dodd (D-Conn.), the general chairman.

It spells out that an annual \$ 100,000 contribution will bring the donor two events with President Clinton, two with Vice President Al Gore, a spot on a foreign trade mission with party and business leaders, "impromptu meetings" with various administration officials and a daily fax report.



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Furthermore, the letter says, each "DNC Managing Trustee," or \$ 100,000 contributor, "is specifically assigned a DNC staff member to assist them in their personal requests."

Also:

A \$ 50,000 donor gets a presidential reception, a dinner with Gore and special policy briefings.

A \$ 10,000 contributor gets a presidential reception, dinner with Gore and "preferred" status at the 1996 Democratic National Convention.

A \$ 1,000 donor could be invited to events with first lady Hillary Rodham Clinton, vice presidential spouse Tipper Gore and female political appointees.

Details were reported initially by the Chicago Sun-Times. After first declining to release the letter publicly Thursday, the Democratic committee made copies available.

"Our donor program corresponds in significant detail to every donor program used by both political parties since Dwight Eisenhower was president," Fowler said.

"President Clinton has been a leader in the fight for campaign finance reform. But until the system is changed, we will not unilaterally disarm," he said.

Clinton's 1992 campaign book, "Putting People First," denounced a system in which "cliques of \$ 100,000 donors buy access to Congress and the White House."

In the Reagan and Bush administrations, contributors who wanted more access than a basic \$ 1,000-a-plate dinner could often attend special, more intimate receptions to chat and have their pictures taken with the president - for \$ 10,000.

A \$ 100,000 contributor to Presidents Reagan or Bush became a member of the "Eagles Club." Eagles were invited to private dinners and receptions at the White House and given special policy briefings.

The offer of contact with Clinton "sounds like the same general approach, maybe a little crasser type of promotion," said Marlin Fitzwater, White House press secretary in both the Reagan and Bush presidencies.

"One of the cautions is that you don't promise government favors for money donated," Fitzwater, now a GOP consultant, said. "The closer you get to that line, the more dangerous it gets."

GRAPHIC: Photo: Mug shot of Don Fowler Photo: Mug shot of Sen. Christopher J. Dodd

LOAD-DATE: July 8, 1995



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Copyright 1995 The Baltimore Sun Company  
The Baltimore Sun

June 22, 1995, Thursday,

SECTION: EDITORIAL, Pg. 21A

LENGTH: 881 words

HEADLINE: Clinton's battle for the middle

BYLINE: Cokie &amp; Steven V. Roberts

BODY:

THAT WASHINGTON sage, Conventional Wisdom, has been telling us for months that a third party candidate has to run for Bill Clinton to have any shot at re-election. What no one expected, however, was that the president himself might prove to be that independent candidate. Traditional Democrats complain that, in putting forth his own plan to balance the budget, President Clinton seems to be positioning himself to run against both parties in Congress. If that isn't his intention, it should be, and if he doesn't do it, or maybe even if he does, someone else is likely to.

The evidence keeps mounting that the electorate's anger with Washington and politicians extends to political parties. The drift away from parties, the non-partisan shift of recent years, has become antipartisanship. In a bipartisan poll looking at the relative strength of the two parties, one in four voters said they didn't trust either the Democrats or the Republicans to deal with the nation's problems. In another recent survey, 57 percent responded they would like an alternative to the two-party choice. And as the "motor voter" law (which requires states to offer voter registration at motor vehicle offices) goes into effect, many states report large percentages choosing to register as independents.

These independents are up for grabs. In a Times-Mirror poll released last week, Mr. Clinton's job approval rating had risen 12 points with independents since last December, happiness with Republican control of Congress had dropped 12 points, so that the two were virtually tied. Even more important, the president had gained 13 points among Ross Perot voters, the Republicans dropped 13 points. But the Republicans were still beating President Clinton by an almost 2-to-1 margin.

That's one of the reasons the president made his speech promising to tackle the deficit, and why he reached out his hand to Newt Gingrich on a bipartisan commission on campaign finance and lobbying reform. Those are issues the Perot people care about. But the president's continued low ratings with those voters, and the failure of any of the current crop of Republican candidates to set them on fire, keeps the conversation going about a possible independent candidate getting into the race. Keeping in mind that Ross Perot was leading both parties' candidates in the polls when he dropped out of the race in 1992, the search is on for a somewhat saner contender for 1996.

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The Baltimore Sun, June 22, 1995

Most of the talk centers around Gen. Colin Powell, and a couple of "draft Powell" efforts are already organized. Mr. Powell has the advantage of already being known, and favorably known, to most of the American public. A few business people are talking about Malcolm S. (Steve) Forbes Jr. Mr. Forbes has the advantage of a personal fortune he could plow into his effort. And Lowell Weicker, former Connecticut governor and senator, is talking about himself. Mr. Weicker has the advantage of having run and won as an independent in his own state. Since none of these candidates would represent a third party (Jesse Jackson with his already established Rainbow Coalition has a better chance of doing that), there would not be slates of candidates under their names on most state ballots. They would simply serve as alternative choices, give a name to "none of the above." The unanswerable question is whether voters would opt to positively agree with one of them.

But it's tough even to get to the point where that question can be asked. Genuine third parties usually have some sort of grass-roots organization working against state bureaucracies to get their candidates on the ballot. That's an infuriating task that state laws have made more, not less, difficult in recent months. Then there's the problem of money. Lowell Weicker fumes that "\$ 40 million is automatically wired into the accounts of Democrats and Republicans" because of the campaign finance laws. Still, he's convinced that a centrist candidate will get into the 1996 race (and leaves the strong impression that he will be that candidate). And, Mr. Weicker insists, if elected, that candidate will be able to govern. He knows, he says, because he's done it.

Without bothering to pay lip service to modesty, Mr. Weicker takes credit for dealing with the tough issues of taxes, gun control and racial equity in education. Had he still been a Republican, he argues, the pressure would have been enormous not to saddle the party with those issues. He claims that he was able to appoint "visionaries" from both parties because he didn't have to get the approval of town committees for his choices. Candidate Bill Clinton promised that kind of bipartisanship in government when he ran as a New Democrat in 1992. But President Clinton governed as an Old Democrat. Now he seems to be bringing out the old song sheets, humming the tunes which worked for him before. And when Democrats accuse him of throwing them overboard, running as an independent candidate, that must be music to his ears. As the president moves to the middle, he will find millions of voters waiting for him there but he might also find another candidate already occupying the space.

Cokie Roberts is an ABC News commentator. Steven V. Roberts is a senior writer for U.S. News & World Report.

TYPE: OP-ED, COMMENTARY

LOAD-DATE: June 23, 1995



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The New York Times

June 17, 1995, Saturday, Late Edition - Final

SECTION: Section 1; Page 9; Column 1; National Desk

LENGTH: 762 words

HEADLINE: Clinton Proposes Overhaul but Gingrich Sees a 'Gimmick'

BYLINE: By TODD S. PURDUM

DATELINE: HALIFAX, Nova Scotia, June 16

BODY:

Following up on their handshake in New Hampshire last Sunday, President Clinton sent a detailed proposal to Speaker Newt Gingrich today for a bipartisan commission on lobbying and campaign finance changes, but Mr. Gingrich complained later that the announcement was a "political gimmick."

The President's proposal called for the commission to make recommendations to Congress by Feb. 1 for an up-or-down vote, and the Speaker's camp was apparently annoyed that the White House had made the proposal public without warning the Georgia Republican.

During a visit with constituents in the Atlanta suburbs, Mr. Gingrich said of the Clinton proposal: "I think this was just a political gimmick today. But we'd like to work on the concept of some kind of commission to look at lobbying and campaign spending and the whole thing in one large picture."

In his letter to the Speaker, released to reporters traveling with him for the summit meeting of major industrial nations here, Mr. Clinton went out of his way to emphasize the conciliatory tone of their Sunday exchange at a town meeting in Claremont, N.H. At the meeting, the two promptly agreed to a questioner's suggestion that a commission modeled on the one that selected military bases for closing might be the only way to break years of deadlock in Congress on overhauling campaign finance laws.

"As you stated," Mr. Clinton wrote to Mr. Gingrich, "this proposal offers the best chance in a generation to break through the stalemate between the parties that has blocked progress for reform." And he added that he looked forward "to hearing your views on this proposal, or others you might have for moving ahead."

But with his explicit proposal today, the President also seemed to be moving to exploit the political potential of the issue, which is popular with the public but anathema to political organizers.

Mr. Clinton also sent a copy of the letter to the Senate majority leader, Bob Dole of Kansas, and he noted that Mr. Dole had long ago endorsed the notion of such a commission.



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The New York Times, June 17, 1995

Mr. Clinton proposed creation of an eight-member commission, with no more than four members from one party. No member could be a current Federal official or member of Congress, or officer or counsel to the political parties. The President would officially make all the appointments, but two each would be made in consultation with the Speaker and the Senate majority leader, and one each in consultation with the House and Senate minority leaders.

Congress would have to vote to create the commission, and the panel would then make recommendations to Congress by Feb. 1. But unlike the recommendations of the Base Realignment and Closing Commission, whose selections for closings take effect unless rejected in their entirety by Congress, the recommendations of this commission would first have to be approved by the President, and then accepted or rejected by Congress, within 30 days without amendments.

"In this instance I believe it is more appropriate to give the Congress the opportunity to vote up or down," Mr. Clinton wrote.

Of course, that would also put the final burden on Congress to take a vote or risk public disapproval.

The Speaker's spokesman, Tony Blankley, said the issue was one of consultation.

"I don't think that letter or the substance of it is a fruitful ground for starting these negotiations," Mr. Blankley said. "I think we need to work together to design a concept, and not have a series of unilateral thrusts."

But the White House spokesman, Michael D. McCurry, said that had always been Mr. Clinton's intent, and he called Mr. Blankley's reaction "enormously disappointing."

"We were so looking forward, in the spirit of the New Hampshire handshake, to putting forward the President's thinking on what we should do," Mr. McCurry added. "We're sure they'll come forward with ideas of their own."

In his letter, Mr. Clinton said the commission would be charged with considering "all the issues of political reform, including campaign finance reform and lobby reform." But he added that the appointment of a commission should not delay passage of pending Senate legislation to tighten restrictions on lobbying.

George Stephanopoulos, a senior Presidential adviser, said in a telephone interview from Washington that Mr. Clinton was eager to move forward to carry out the New Hampshire agreement. "The President and the Speaker agreed to a terrific recommendation from a New Hampshire citizen on Sunday, and this tries to begin the process of turning that into law," he said.

LANGUAGE: ENGLISH

LOAD-DATE: June 18, 1995



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Rocky Mountain News

January 24, 1995, Tuesday

SECTION: NEWS/NATIONAL/INTERNATIONAL; Ed. F; Pg. 20A

LENGTH: 494 words

HEADLINE: Clinton signs bill putting Congress under laws  
Lawmakers, workers subject to measures relating to workplace that others  
must follow

BYLINE: Reuter

DATELINE: WASHINGTON

BODY:

President Clinton Monday signed a bill making Congress subject to the same  
workplace laws that apply to private business.

He said it should be the impetus for "deeper changes in the culture of  
Washington."

"I am extremely pleased, and I think the American people are extremely  
pleased, that we are beginning the New Year with a reform that requires Congress  
to live under the laws it imposes on the American people," Clinton said.

It was the first piece of legislation he had been sent by the new Congress.  
Republicans ousted Clinton's Democrats from control of both houses in November's  
elections after promising to shake up the way Washington works.

At a ceremony attended by lawmakers from both parties, the president said  
Congress should now go on to pass campaign finance reform, lobby reform, and  
"the strongest possible version" of a line item veto allowing the president to  
veto individual items of appropriations bills.

The president promised to discuss these proposed reforms in more detail  
tonight, when he delivers his State of the Union address to Congress.

Asked by a reporter whether he would also propose an increase in the minimum  
wage during that speech, as suggested in some media reports, he said, "Tune in  
tomorrow."

Under the law, the Congressional Accountability Act, Congress must comply  
with 11 laws, including those dealing with fair labor standards, age  
discrimination and family and medical leave.

The act was designed to address complaints that Congress is arrogant and out  
of touch because it enacts costly laws for others which it does not observe.

"Most Americans are actually surprised when they learn that some of our most



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Rocky Mountain News, January 24, 1995

basic laws don't apply to Congress and their staffs. This legislation ensures that we'll change that," Clinton said.

"It guarantees that the cafeteria workers and the police who work in Congress and who help millions of tourists every year will have the same rights as all Americans do to a safe environment, to collective bargaining, to civil rights protection."

He called the law a "reality check" and hoped it was just the start of a several years-long process. "We must use this impetus to make deeper changes in the culture of Washington that has too often disconnected it from ordinary Americans."

LANGUAGE: English

LOAD-DATE: January 26, 1995



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The Boston Globe

January 8, 1995, Sunday, City Edition

SECTION: METRO/REGION; Pg. 17

LENGTH: 904 words

HEADLINE: Willingness to fight, talk pays off for Weld

BYLINE: By Scot Lehigh and Frank Phillips, Globe Staff

BODY:

As President Clinton struggles to survive in the face of a hostile new Republican majority in Congress, he might look to Massachusetts and the way Gov. Weld has defanged the opposition.

On Beacon Hill, where Weld has long faced much stronger Democratic majorities in the Legislature, no one doubts that the Republican governor remains the dominant player.

He has secured that role by staying focused on his key themes of combating crime and no new taxes, showing a willingness to fight for principles and an inclination to compromise when necessary. Above all, he has established solid relationships and regular lines of communication with his political opposition.

"I think Bill Clinton could learn a lot from Bill Weld," said US Rep. Peter Torkildsen, a Danvers Republican. "Weld has demonstrated that just because you come from a different party, you can still lead and effectively govern."

The best testament to that came in the speeches Senate President William M. Bulger (D-South Boston) and House Speaker Charles F. Flaherty (D-Cambridge) delivered last week upon reelection to their leadership posts.

"I think that Capitol Hill can take a lesson from Beacon Hill," Flaherty said. "We are on the right course."

Four years ago, the widespread assumption, created in no small part by their own smirking suggestions, was that the two veteran Democrats would teach the neophyte Republican governor a lesson in hardball politics.

Last week, with a highly popular Weld about to start a second term, the tone from the Democrats was quite different. Proof of the Legislature's productivity lay in how well lawmakers had cooperated with Weld, they said.

"Instead of gridlock and one-upmanship, we balanced the budget, improved our bond rating and the economy," said Bulger.

One factor nudging the legislative leaders toward compromise was Weld's willingness to fight when they wouldn't. His victories on several key issues, including repeal of the sales tax on services, established early on that despite



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his occasionally goofy manner, Weld was a skilled inside player.

If confrontation taught a lesson, crisis also underscored the need for compromise. Faced with a yawning budget deficit, Beacon Hill's principal actors - Weld, Lt. Gov. Paul Cellucci, Flaherty, Bulger, the House and Senate Ways and Means chairmen and the minority leaders - started a series of weekly meetings to grapple with the budget problems.

That cooperation endured long after the budget crisis has ended. "By keeping our eye on what we had to do for the people of this state, we found we could cooperate, could find common ground, and could get things done," Cellucci said.

There's no doubt the weekly meetings provide much of the direction for state government. (Some rank and file members complain the effect has been to centralize power more than ever in the hands of a small, elite group.) The gatherings haven't always pulled the leaders toward a consensus, but they have helped set the agenda, find areas of common ground and spur compromises.

The political parleys have also ratcheted down rhetoric in favor of results. Bulger and Weld have developed a genuine fondness for each other, and even Flaherty, an avowedly partisan liberal Democrat, seems to have lowered his criticism of Weld as a result.

"It has always surprised me that Weld could get along with anybody after the rhetoric of his first race," said former US Sen. Paul Tsongas, an apparent reference to Weld's campaign attacks on Bulger as the symbol of all that was wrong with state government.

But once established, the relationships between Weld and the Democratic legislative leaders have put a brake on rhetoric and partisanship, Tsongas said.

"It is very hard to do battle with people that you meet with on a regular basis and have a relationship with," Tsongas said. "You have to give all parties credit for the cooperation. It has been good for everybody."

In contrast to Clinton, the arrangement on Beacon Hill has let Weld enjoy cooperation without having to compromise key principles, says US Rep. Martin T. Meehan, a Lowell Democrat. Despite Democratic pressure, Weld has held firm on his campaign promise of no new taxes and stuck to his guns on issues like welfare reform, tax cuts and the death penalty.

Although he hasn't always succeeded, his positions have given the governor a well-defined profile as a leader pressing for his priorities despite legislative disagreement.

In contrast, during his first two years, Clinton quietly mothballed his quest for a line item veto and campaign finance reform for fear of offending members of his own party, who controlled Congress, said Meehan.

"Clinton has been hampered by that," said Meehan. "On more than one occasion he has failed to dig in his heels and take a stand."

There are differences that make the Weld model an imperfect fit for Clinton. US Rep. Peter Blute, a Republican from Shrewsbury and former legislator who served in the Massachusetts Legislature during Weld's first two years, said the



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The Boston Globe, January 8, 1995

governor was able to push his agenda because he came in with a revolution. "In that first critical year, the Democrats were willing to give him his due because his arrival was a such a shock to the system," Blute said. "He took it and ran with it. But in Clinton's case, the revolution came in despite him."  
, GOV. WELD / Sticking to key issues (COLOR)

LANGUAGE: ENGLISH

LOAD-DATE: January 10, 1995



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THE HARTFORD COURANT

January 6, 1995 Friday, STATEWIDE

SECTION: MAIN; Pg. A1

LENGTH: 782 words

HEADLINE: NEW REALITY AT WORK IN WASHINGTON;  
PRESIDENT, GOP STRESS COOPERATION

BYLINE: Combined Wire Services

DATELINE: WASHINGTON --

BODY:

In their first meeting since Republicans took control of Congress, President Clinton and legislative leaders Thursday reached for common ground on issues ranging from taxes and welfare reform to House Speaker Newt Gingrich's reported trashing of Hillary Rodham Clinton.

The president told reporters after the White House Cabinet Room meeting that he was "very pleased with it in terms of tone and substance."

Gingrich, pronouncing the bipartisan session "very positive," bawled out White House reporters for "cynicism" in asking about any conflicts. "This is a different era, with different ground rules," Gingrich said.

Gingrich declared that the Republican Party's "Contract With America" was not "written in stone," and predicted Congress would produce a bipartisan package of tax cuts and economic incentives that would be acceptable to the president.

The meeting was cordial, without Republican gloating or threats of presidential vetoes, participants said. "There were no lines drawn in the sand," House Majority Leader Dick Armey, R-Texas, said.

Clinton sounded the sole note of one-upmanship, dispatching a follow-up letter urging the addition of lobbying and campaign finance reforms to the Republican reform agenda. The subject was not covered in the nearly 90-minute meeting, Gingrich said.

Gingrich -- who squelched Democrats' efforts to introduce lobbying reform legislation Wednesday -- downplayed conflict by promising that political reforms would be considered "as soon as we can get to them, which will be fairly quickly."

Areas of strong agreement involved granting presidents a budgetary line-item veto, binding Congress to obey the laws it passes and sparing states from unfunded federal mandates, Clinton and Republicans indicated.

Compromise was in the air on welfare reform and tax cuts. The two parties



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spoke of forming a staff-level task force on their differing welfare proposals, Gingrich said.

On bridging the appreciable gaps between the president's "Middle Class Bill of Rights" and higher-ticket Republican tax cut ideas, Arney reported "a commitment and encouragement that we can work out the differences and come to an agreement."

The president told reporters the meeting had satisfied him that both parties would pay for tax cuts with equivalent government spending reductions, rather than wage a "bidding war" over tax cuts in a way that would increase the budget deficit, as happened in 1981.

Clinton retreated on opposition to a constitutional amendment mandating a balanced federal budget, saying the White House retained "concerns and reservations," but would not "engage in an aggressive campaign against it," Gingrich told reporters.

House Majority Whip Tom DeLay, R-Texas, said Clinton even expressed willingness to compromise on Republican legislation to impose a moratorium on new federal regulations.

At a press conference, Clinton said, "I think the people are sick, literally sick, of seeing all this partisan infighting up here." Accordingly, he said, he wanted to avoid "a series of partisan battles" with Republicans.

"My job is not to do what they did," Clinton said. "My job is not to stand in the way and be an obstructionist force. My job is not to practice the politics of personal destruction. My job is to work with them to try to help build this country, and that's what I'm going to do."

White House chief of staff Leon Panetta said Clinton had urged the Republican leadership to avoid partisanship over foreign policy.

The aura of good will between Clinton and Gingrich extended to a sensitive personal matter -- a statement to CBS correspondent Connie Chung by Gingrich's mother, Kathleen Gingrich, that her son told her, in describing Hillary Clinton, "She's a bitch." The remark was part of an interview broadcast Thursday night on "Eye to Eye With Connie Chung."

Gingrich repeated complaints that Chung acted improperly in coaxing his mother to "just whisper it to me."

He and Clinton avoided confrontation over the episode. At the start of Thursday's meeting, Clinton joked to a reporter that "Mr. Gingrich will whisper into your right ear, and I will whisper into your left ear."

Gingrich, indicating that he has offered Clinton an oblique form of apology, said, "I told him I was very sorry [for] what Connie Chung had done, and he totally agreed with me. It was totally disruptive."

But Hillary Clinton herself extended the biggest olive branch. She had a personal note passed to the speaker inviting him and his mother to the White House for a special tour.



THE HARTFORD COURANT, January 6, 1995

Gingrich described the note as "gracious, with a lot of class," said an aide.

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**Bill:** S 1060 — PL 104-65

**House status:** The House passed HR 2564 (H Rept 104-339), 421-0, on Nov. 29. The House then, by voice vote, cleared S 1060.

**Senate status:** The Senate passed S 1060, 98-0, on July 25.

**Presidential action:** President Clinton signed the bill Dec. 19.

**What to watch for:** House sponsors of the legislation helped quell possible bill-killing amendments by promising to consider those issues in a separate measure. Rep. Barney Frank, D-Mass., introduced HR 2686 on Nov. 29. Canady, whose Judiciary Constitution Subcommittee had jurisdiction over the issue, has promised to hold hearings on the proposal early in 1996.

**Related stories:** House action, 1995 Weekly Report, p. 3631; provisions, p. 3477; Senate action, p. 2239; background, 1994 Almanac, p. 36.

### Issue: Campaign finance.

**Synopsis:** In 1995, Democratic and Republican leaders repeatedly promised progress on campaign finance legislation and did not deliver. As a result, by the end of the year, rank-and-file members of both parties were seeking ways to bypass their leaders and force action on legislation to control the cost of campaigns and reduce the giving by political action committees (PACs).



The most memorable development of the year also turned out to be the least important. At a New Hampshire forum June 11, President Clinton and House Speaker Newt Gingrich, R-Ga., agreed to create a commission to explore changes in the campaign finance system and other reforms. Little but posturing followed. Clinton issued a statement outlining how the commission should be structured, and Gingrich responded several months later with his own ideas. Both said they wanted the commission to be modeled on the military base-closing commission, which makes legislative recommendations that Congress must adopt or reject without change. But neither the White House nor GOP leaders made any further move to create the commission.

Meanwhile, rank-and-file members pushed ahead on efforts to refashion the campaign finance system. Legislation (HR 2566, S 1219) introduced with bipartisan support in both chambers would place voluntary limits on spending in congressional campaigns and outlaw PAC-giving.

Other provisions include free broadcast time and reduced postage rates for candidates who abided by the spending limits, a requirement that candidates raise 60 percent of their funds in-state, relaxed contribution limits for candidates facing opponents who are self-funded or do not agree to the spending caps and a ban on incumbents sending franked mail during an election year. In case the Supreme Court rules the proposed PAC ban unconstitutional, the bill envisions making contribution limits stricter

so that PACs could give no more than the \$2,000 per election permitted for individuals.

**Bills:** HR 2566; S 1219.

**House status:** HR 2566 was referred to the House Oversight Committee, which has taken no action.

**Senate status:** S 1219 was referred to the Senate Rules and Administration Committee, which has taken no action.

**What to watch for:** The first action may come in the Senate. Sponsors of S 1219 say they may try to attach the bill to a moving legislative vehicle in the Senate in order to force the leadership to deal with the issue. Their hope is to put pressure on the House to act.

House leaders promised a floor vote on campaign finance legislation early in 1996, but Gingrich seemed to abandon that pledge when he called for a commission. Outside groups, including Public Citizen, the League of Women Voters, Common Cause and United We Stand America, support most aspects of the pending bills and are trying to generate public pressure for action. Many House freshmen who promised to change the way Congress operates want to deal with campaign finance legislation next year before they face the voters again. But it is not an easy issue for Congress to agree on, particularly during an election year.

**Related stories:** Background, 1995 Weekly Report, p. 3351, 1809; handshake, p. 1773; text of forum, p. 1773.

### Issue: Term limits.

**Synopsis:** The term limits movement exploded onto the national political scene in the early 1990s, with supporters winning ballot initiatives or gaining term limit laws in 23 states within five years. Proponents contend that term limits would offer the proper medicine for all that has ailed Washington. The restrictions, they say, would ensure a steady stream of new voices in Congress. Detractors say that voters should rotate candidates through the ballot box and that term limits could deprive Congress of some of its most able and seasoned lawmakers.

A May 22 Supreme Court decision largely put an end to efforts to impose term limits on Washington from the states. The decision blocked the states from passing laws that limit congressional terms — leaving a constitutional amendment as the only legitimate route for imposing such restrictions.

House Republicans had promised to hold a floor vote on a resolution proposing a constitutional amendment on term limits as part of their "Contract With America." They did, but it fell short of the two-thirds majority required for adoption. Most Republicans supported it, but the opposition of senior Republicans combined with Democrats' distaste of the proposal contributed to its defeat.

In fact, infighting among Republicans hobbled the amendment's chances from the start. Much of the fighting was about whether states should be able to choose their own limits.

Members also disagreed about the length of terms. One outside group, U.S. Term Limits, which supported a six-year limit, ran ads attacking House Speaker Newt Gingrich, R-Ga., for backing a 12-year plan.

**Bills:** H J Res 73; S J Res 21.

HR 119 — Lobby registration requirements and a ban on gifts to lawmakers.

**House status:** HR 2169, introduced by Reps. Christopher Shays, R-Conn., and Paul McHale, D-Pa., on Aug. 2, has been referred to the House Judiciary Committee, which has taken no action. It tracks the provisions of S 1060.

HR 119, introduced by Rep. John Bryant, D-Texas, was referred to the House Judiciary and Standards of Official Conduct committees, which have taken no action. It is identical to legislation that passed the House but stalled in the Senate in the 103rd Congress. Like the original Senate measure, Bryant's bill includes a gift ban in addition to the lobby registration requirements.

**Senate status:** The Senate passed S 1060, 98-0, on July 25.

**What to watch for:** Unlike last year, the House will determine the bill's future this year. House Republican freshmen, many of whom ousted first-term Democrats who voters decided had failed to live up to their promise to reform Congress, are keenly aware that the issue could work against them as well in 1996. The freshmen have been joined by a bipartisan group of lawmakers known as the Bipartisan Reform Team. Two members of this group, Shays and McHale, introduced HR 2169. House Republican leaders, however, say they will be too busy on appropriations and other issues to address lobby registration changes this year.

**Related stories:** Clinton's order, Weekly Report, p. 2334; Senate action, p. 2239; provisions, p. 1981; background, 1994 Almanac, p. 36.

### Issue: Campaign finance.

**Synopsis:** Despite public maneuvering early in the summer, there has been no substantive movement on overhauling the system of financing congressional elections. Each side accused the other of posturing in the wake of a handshake agreement at a New Hampshire forum June 11 by President Clinton and House Speaker Newt Gingrich, R-Ga., to create a commission to explore changes in the campaign finance system and other reforms. Little resulted from this public pledge, and the commission idea has shown no immediate promise of breaking the logjam over campaign finance changes. Clinton has since issued a statement outlining how the commission should be structured, and Gingrich responded by saying that the topic is complicated and that he will present a paper on it this fall. Clinton said he wants the commission to be modeled on the military base-closing commission, which makes legislative recommendations that Congress must adopt or reject without changes.

Separately, a bipartisan group of House members has introduced legislation (HR 2141) that would make modest changes in campaign laws, including tighter limits on giving by political action committees (PACs) and a prohibition on member-run PACs.

In the Senate, John McCain, R-Ariz., and Russell Feingold, D-Wis., are circulating a plan to control Senate campaign spending and eliminate PAC-giving to Senate candidates. Voluntary campaign spending limits would be set for each state based on voting-age population, and candidates who abided by the limits would receive free broadcast time, reduced postage rates and other benefits.

Other provisions include a requirement that candidates raise 60 percent of their funds in-state, higher contribution limits for candidates facing opponents who are self-



McConnell

funded or do not agree to the spending caps, and a ban on incumbents sending franked mail during an election year. In case the Supreme Court rules the proposed PAC ban unconstitutional, the plan envisions lowering contribution limits so that PACs could give no more than individuals. Currently, individuals can give \$2,000 per election cycle. Candidates also could not raise more than 20 percent of their funds from PACs.

**Bill:** HR 2141.

**House status:** HR 2141 was referred to the House Oversight Committee, which has taken no action.

**Senate status:** No action.

**What to watch for:** Pressure from freshmen, particularly in the House, and others in the rank and file may force congressional leaders to move toward actually putting together a bill. Ross Perot's organization, United We Stand America, continues to call for campaign finance reform. But the prospects for legislation remain bleak. Mitch McConnell, R-Ky., the GOP point man in the Senate, has said that he will filibuster any plan modeled after the base-closing commission and that he thinks the current system is acceptable. Many members seem to agree.

**Related stories:** Background, Weekly Report, p. 1809; handshake, p. 1773; text of forum, p. 1773.

### Issue: Term limits.

**Synopsis:** The term limits movement exploded onto the national political scene in the early 1990s, with supporters winning ballot initiatives or gaining term limits laws in 23 states within five years. Proponents contend that term limits would offer the proper medicine for the gridlock and special interest politics ailing Washington. The restrictions, they say, would ensure a steady stream of new voices in Congress. Detractors say that voters should rotate candidates through the ballot box and that term limits could deprive Congress of some of its most able and seasoned lawmakers.

A May 22 Supreme Court decision largely put an end to efforts to impose term limits on Washington from the states. The decision blocked the states from passing laws that limit congressional terms — leaving a constitutional amendment as the only legitimate route for imposing such restrictions.

To be adopted, a term limits amendment would have to pass the House and the Senate with a two-thirds majority and then be ratified by three-fourths (38) of the states.

House Republicans had promised to hold a floor vote on a constitutional amendment limiting members' terms as part of their "Contract With America." The House on March 29 rejected, 227-204, a proposed constitutional amendment to limit senators and House members to 12-year terms. The vote fell short of the two-thirds majority required for adoption. Most Republicans supported it, but the opposition of senior Republicans combined with

# SENATE BILLS SPENDING BILL For Legislative Branch

Version similar to House's, but cuts  
for support agencies not as deep

The Republicans who run the House and Senate agree that members of Congress must reduce how much they spend on themselves to match the cuts they are making in federal programs. Where they disagree is how to swing the ax.

By voice vote, the Senate on July 20 passed the first of 13 annual appropriations bills — a \$2.2 billion measure (HR 1854) for the legislative branch for fiscal 1996. The bill would provide spending largely in line with the version the House passed June 22.

The Senate version would provide \$465 million more spending than the House bill, but almost all of that increase — \$427 million — is for Senate operations. The House measure did not include the Senate's spending, leaving it to senators to allot their spending, as is customary. (*Chart, p. 2143*)

Like the House bill, the Senate version would pare the operations of several congressional support agencies, including the Government Printing Office, the General Accounting Office and the Architect of the Capitol. But the Senate would cut less than the House in most cases.

"We were able to accomplish our goal of cutting the legislative branch," said Connie Mack, R-Fla., chairman of the Senate Legislative Branch Appropriations Subcommittee. "That's a good sign as the Senate moves on to deal with the rest of the appropriations bills."

Senate passage followed a daylong debate that also touched on campaign finance reform, affirmative action policies and the ethics of the reporters who cover Congress.

The vote came two days after the Senate Appropriations Committee approved the bill, 25-3, as part of the same motion that allocated \$489 billion in discretionary budget authority among the Appropriations sub-

By Jonathan D. Salant



**BOXSCORE**

**Bill:** HR 1854 (S Rept 104-114, H Rept 104-141) — Fiscal 1996 legislative branch appropriations.

**Latest action:** Senate passed July 20 by voice vote.

**Next likely action:** House-Senate conference, unscheduled.

**Background:** The bill provides spending for the Senate and House, and several support services such as the Library of Congress.

**Reference:** Weekly Report, pp. 1803, 1707, 1611.

committees, which draft the 13 annual spending bills. (*Story, p. 2155*)

Overall, the legislation would cut congressional spending by \$200 million compared with current levels. Unlike the House version, the Senate legislation would eliminate the Office of Technology Assessment, the decades-old legislative support office that advises lawmakers on science and technology issues. It would keep the Joint Committee on Printing, which oversees the Government Printing Office, and hold back on privatizing services such as maintenance of Capitol buildings.

Rep. Ron Packard, R-Calif., chairman of the House Legislative Branch Appropriations Subcommittee, was not pleased with the Senate's changes. A House-Senate conference committee will try to iron out the differences between the two bills. "I'm going to try to hang tough on the issues that we have in

our bill," Packard said. "The Senate doesn't have to worry about perks and re-election as much as we do. We think privatizing and consolidating and eliminating is the way to go."

Packard and Mack both hope to have a final version through both chambers and on President Clinton's desk before the August recess. The president traditionally stays out of the debate over legislative spending and routinely signs the appropriations bill.

### Closing Technology Office

The Senate bill would abolish the Office of Technology Assessment, providing \$3.6 million to close down the office. The technology office received \$22 million in the current fiscal year.

The Senate voted, 54-45, to table an amendment by Ernest F. Hollings, D-S.C., to allocate \$15 million to the technology agency. The money would have come from a 1 percent reduction in the budgets of other support agencies. "What you're doing is eliminating the most economical approach to this technological need," Hollings said. (*Vote 316, p. 2221*)

Fellow Democrat Harry Reid of Nevada took the opposite view. "The Office of Technology Assessment is a luxury," he said. "It would be nice to have if we had the money we used to have. But we don't have the money we used to have. The work OTA does can be done by other agencies."

Two days earlier, Hollings had failed to persuade his fellow members of the Senate Appropriations Committee to restore funding for the agency. His amendment to do so was defeated in committee, 11-13, on July 18.

House appropriators had also tried to eliminate the technology agency, but lawmakers instead voted to transfer its functions to the Congressional Research Service and to allocate \$15 million to that agency to continue its work. Packard, who supports efforts to do away with the technology agency, said he would try to kill the

Capitalizing on their status as deliverers of the GOP majority, many freshman Republicans have increased the going price of attending their fundraisers to \$1,000, PAC officials said. Previously, only chairmen and other influential members could command such sums.

In some cases, as soon as a freshman received a committee assignment, the industries under that panel's jurisdiction marked the occasion with a donation. Rep. Fred Heineman, R-N.C., was named to the Banking and Financial Services Committee on Dec. 9. From then to the end of the year, he received \$8,500 in PAC contributions, with 41 percent coming from banking and insurance interests.

Since becoming the only freshman on the Senate Environment and Public Works Committee on Jan. 4, James M. Inhofe, R-Okla., has taken in at least \$69,065 in PAC contributions. Transportation-related PACs accounted for \$30,500 — 44 percent of the total.

Meanwhile, the fundraising is continuing. Several GOP freshmen said they planned to spend part of the April recess raising money back home. Paxon said he believed they would have no trouble finding financial support. "Their potential is rather unlimited now," he said.

### A Price To Pay

In a sense, Democrats are paying a price for not limiting PAC contributions when they controlled Congress, said Candice Nelson, an assistant professor of political science at American University and director of the school's Campaign Management Institute.

Democrats have long advocated a system of partial public financing coupled with spending limits as the best way to overhaul the campaign finance system. That proposal was anathema to many Republicans, but it was never fully embraced by House Democrats, either. It took until late last year for Democrats to devise a compromise to reduce PAC giving, and by then the bill was vulnerable to a Republican filibuster in the Senate. It died in late September. (1994 *Weekly Report*, p. 2757)

"What's ironic is the Democrats weren't willing to compromise on PACs last time," Nelson said. "It was shortsighted of them. Now they're going to lose all that PAC money. It's going to go to Republicans. They're ideologically and philosophically more aligned with business PACs anyway. Now politics and philosophy work together." ■

## Contributions to GOPAC

Under public pressure, GOPAC, the controversial political action committee headed by House Speaker Newt Gingrich, R-Ga., has released the names of its contributors during the first three months of 1995. GOPAC reported raising \$487,520 during the period; more than three-fourths of the contributions were in amounts of \$10,000 or more.

In disclosing its receipts, GOPAC listed 1,771 contributors. But just 28 of them accounted for \$385,000 — 79 percent of the total.

The biggest giver was Wisconsin businessman Terry Kohler, who contributed \$70,000. Kohler and his wife, Mary, previously gave \$715,457 to the organization. Kohler's company, Windway Capital Corp., also is a contributor to the Progress and Freedom Foundation, which is run by former GOPAC Executive Director Jeffrey A. Eisenach and which finances Gingrich's college course and television call-in show. (*Weekly Report*, p. 657)

Other large givers also have interests in several of Gingrich's endeavors. Golden Rule Insurance Corp. executive J. Patrick Rooney of Indianapolis gave \$25,000. He earlier had given \$95,150 to GOPAC. Golden Rule has contributed to the Progress and Freedom Foundation and has been touted during Gingrich's course lecture on "health and wellness."

William K. Hoskins of Kansas City, Mo., an executive of the pharmaceutical company Marion Merrell Dow, contributed \$10,000. The Progress and Freedom Foundation is looking at ways to overhaul the way medical devices and pharmaceuticals are approved.

Federal Express Corp. lobbyist Richard F. Rodgers also gave \$10,000 to GOPAC. Federal Express has given to the foundation and to Gingrich's course.

Because GOPAC spends most of its money to help elect state and local candidates, it reports only a small percentage of its contributors to the Federal Election Commission (FEC). Unlike the FEC reports that all federal PACs must file, the GOPAC disclosure first-quarter list does not include the occupations or full addresses of contributors, nor does it report when donations were made. Because of its state and local focus, GOPAC also is exempt from federal restrictions on the size of its receipts. Individuals are prohibited from giving more than \$5,000 a year to a federal election political action committee that supports more than one candidate.

GOPAC figures prominently in the current House ethics committee probe of Gingrich. Former Rep. Ben Jones, D-Ga., has charged that GOPAC staff and resources were used improperly to raise money for Gingrich's college course, *Renewing American Civilization*. Because GOPAC is dedicated to electing Republicans, Jones said it should have been kept away from the course, which is financed by a tax-exempt foundation. Donors to the course could deduct their contributions from their federal income tax, but rules governing tax-exempt foundations require them to be nonpartisan. Jones charged that GOPAC's involvement in the course meant it was oriented toward Republicans and therefore was not nonpartisan.

Several course organizers had ties to GOPAC. Eisenach, for example, had resigned as the group's executive director to raise money for the course, but he remained as a consultant and worked out of GOPAC's offices.

Gingrich told the House ethics committee in December 1994 that GOPAC was not involved in setting up the course: "Where employees of GOPAC simultaneously assisted the project, they did so as private, civic-minded individuals. . . . Conclusions drawn from the fact that these individuals continued to use GOPAC stationery and fax machines and continued to work out of GOPAC mailing addresses — the entire basis of Mr. Jones' complaint — are superficial and irrelevant." (*Weekly Report*, p. 920)



Speaker Gingrich

—Jonathan D. Salant

are going to change out of deference to leadership positions," Armev said. "If you say to a Republican, 'Do this or else,' they will take the 'or else' and go home and say, 'I bucked my leadership to represent my district.'"

### Defense Bill Defeat

An unexpected demonstration of Republicans' independent streak came on the Feb. 15 vote to kill the contract's anti-missile defense provision, which had been included in a broader bill calling for a stronger national defense. (*Defense*, p. 535)

The provision was killed when the House adopted, 218-212, an amendment by South Carolina Democrat John Spratt. Afterward, Republican leaders tried to persuade GOP defec-

tors to switch their position. But when it became clear they could not whip enough Republicans back into line, the leadership dropped plans to call for a rematch.

"They saw people won't budge," said Upton, one of the 24 defectors, who were mostly moderate Republicans with a history of opposing deployment of anti-missile defenses and deficit hawks opposed to the additional expense.

But the amendment succeeded not just because Republicans defected but also because Democrats mounted a display of party unity that has been rare on their side of the aisle this year. Only seven Democrats voted against Spratt.

### Bucking the Speaker

Republicans' party discipline also broke down Feb. 7, on an obscure but important procedural vote in the House.

At issue was a resolution by Gene Taylor, D-Miss., calling for an investigation of President Clinton's controversial plan to aid Mexico. Gingrich issued a parliamentary ruling that blocked the resolution from coming before the House, but Taylor forced a floor vote by appealing the ruling.

Such procedural votes are the cornerstone of the Speaker's power to run the House, and members of the majority party rarely oppose a Speaker's ruling. Indeed, it has been 56 years since the House overturned a Speaker's ruling. But some Republicans saw this vote as an opportunity to register opposition to Clinton's Mexico policy. On short notice, the whip organization mobilized to keep the GOP in line. At

least eight Republicans — most of them freshmen — were persuaded to switch while the vote was being taken.

"This motion is not about Mexico!!!" screamed a flier handed to members as they entered the floor. "It is about the rules of the House!!!"

The House upheld Gingrich, 288-143, but 14 Republicans voted against the Speaker. Those defectors infuriated Gingrich, who lectured the apostates in a closed caucus the next day.

Some of the defectors — who included four freshmen and several senior members — bridled. "There was some heavy-handedness from the leadership," Stearns said.

The dispute laid bare some of the cracks in the edifice of GOP unity that may

grow larger in the future — older members who think the Republican revolution is going too far and freshmen who think it isn't going far enough.

Indeed, it was a GOP freshman who proposed the one floor amendment that did more than any other to split the Republican conference. During debate on the unfunded mandates bill, Wes Cooley of Oregon on Jan. 31 offered an amendment to impose even tighter restrictions on federal mandates. Although GOP leaders tried to prevent Cooley from offering the amendment and lobbied against it, he won the support of a majority of Republicans. The amendment died, however, because Democrats voted overwhelmingly against it.

### More Promises To Keep

As GOP leaders head into the second 100 days of the session, they will surely face deeper divisions within their party if they make good on commitments they made in order to keep the first 100 days clear for the Contract With America.

To speed action on anti-crime legislation, for example, Gingrich promised a vote in May on repealing the 1994 assault-weapons ban. He also kept school prayer proposals out of the contract, but suggested that the House would take up the issue before the Fourth of July. And Republican leaders in the House and Senate promised to take up a variety of congressional reform measures — a ban on gifts to lobbyists, campaign finance changes and other reform issues that

were big in the 1994 campaign — in order to keep those issues from slowing the contract.

If they don't follow through, GOP leaders will leave their followers in a politically perilous position. Among those left hanging is Sen. John McCain, an Arizona Republican who opposed an amendment he once sponsored to restrict personal use of campaign funds, after GOP leaders assured him it would be taken up later this year.

"I would not want to face the electorate having voted to table an amendment I sponsored," McCain said. "It will make me nervous if in six months we don't take it up." ■

**"There was some heavy-handedness from the leadership."**

—Rep. Cliff Stearns, R-Pa.

## OPERATIONS

# Committee Orders Audit of House

The House Oversight Committee has named the accounting firm Price Waterhouse to conduct a top-to-bottom financial audit of the House of Representatives.

"This is the first change in management in 40 years," explained committee Chairman Bill Thomas, R-Calif.

But the focus of the \$3.7 million audit — the 15 months between Sept. 30, 1993, and Jan. 1, 1995 — does not cover two recent scandals: the House bank, which was closed in 1991, and the charges against former Ways and Means Chairman Dan Rostenkowski, D-Ill., accused of misusing public and campaign funds between 1971 and 1992. (*1992 Almanac*, p. 23; *1994 Weekly Report*, p. 1439)

However, auditors can go back before September 1993 if they uncover problems.

The audit is scheduled to be completed in June. Thomas said the findings will be released to the public.

"Everything we've seen indicates it will be non-political," said a Democratic member of the committee, Benjamin L. Cardin of Maryland.

Price Waterhouse will be looking at 12 areas, including House Information Systems, the finance office and its accounting system, sales operations such as the stationery store and gift shop, computer security, and the Architect of the Capitol, which Senate and House appropriators are looking at farming out to the private sector. (*Weekly Report*, p. 433) ■

## Halftime Highlights

As House Republicans close in on the Feb. 22 halfway point in their 100-day drive to move the "Contract With America," they are about to shift from widely popular items to more controversial proposals.

During the week of Feb. 20, the House will turn to bills to reduce federal paperwork and impose a moratorium on new regulations. After that, it will take up legislation to overhaul product liability law and curb shareholder litigation, transform and limit welfare, provide tax cuts to investors and impose congressional term limits. (*Chart, p. 501*)

On many of the issues, specifics remain to be worked out, and Republicans may be less united than they have been so far, creating opportunities for Democrats. (*Unity, p. 495*)

Speaker Newt Gingrich of Georgia has conceded that some contract provisions may undergo big changes, telling insurance executives Feb. 15 that he was "most worried" about product liability and term limits. He said May and June will be devoted to "getting things through the Senate," which has been hostile to some provisions.

Following is a rundown of where major items stand:

- **Congressional reforms.** On Congress' first day, Republicans succeeded in overhauling some internal procedures. By Jan. 17, Congress also cleared a bill to end its exemption from various workplace laws. (*Weekly Report, pp. 197, 7*)

- **Balanced budget.** The House passed a constitutional amendment to require a balanced budget Jan. 26, but without a contract provision requiring a three-fifths vote to raise taxes. The decisive Senate vote is set for Feb. 28. (*Story, p. 507*)

- **Line-item veto.** The House passed a bill Feb. 6 to give the president power to cancel individual spending items and tax breaks. The Senate may not be willing to

### CONTRACT with AMERICA

give the president as much power. (*Story, p. 511*)

- **Crime.** The contract's promise to toughen the 1994 crime bill has been split into six smaller bills, which the

House passed Feb. 7-14. The Senate may recombine the bills into one less stringent measure. (*Story, p. 530*)

- **Welfare overhaul.** A House subcommittee Feb. 15 approved a bill that would give states more control over welfare while tightening eligibility. (*Story, p. 525*)

- **Tax cuts.** No action yet. Clinton offered his own plan; senators worry about the deficit. (*Weekly Report, p. 409*)

- **National security.** The House on Feb. 16 passed a bill restricting the U.S. role in U.N. peacekeeping missions, despite a veto threat. A contract promise to deploy anti-missile defenses was defeated. (*Story, p. 535*)

- **Social Security earnings cap.** The Republicans vowed to nearly triple how much senior citizens can earn without losing benefits. The administration wants a smaller boost. (*Weekly Report, p. 163*)

- **Unfunded mandates.** Both chambers passed bills restricting Congress' ability to pass costs on to state and local governments. Differences need to be resolved. (*Story, p. 522*)

- **Capital gains tax cut.** No action yet. (*1994 Weekly Report, p. 3342*)

- **Regulatory relief.** Several House panels have approved bills to reduce paperwork, freeze new federal regulations and change the way agencies write rules. (*Stories, pp. 520, 521*)

- **Product liability, litigation limits.** The House Commerce Committee approved a plan Feb. 16 to limit class-action lawsuits. The big fight will be over product liability law. (*Story, p. 518*)

- **Term limits.** Action started in the Senate, where a panel approved a 12-year *per chamber* limit. Some members want a six-year House limit. (*Weekly Report, p. 435*)

cause it appealed to a traditional Republican constituency, gun control opponents. During debate on an anti-crime bill to allow prosecutors more freedom to use evidence obtained without a search warrant, Missouri Democrat Harold L. Volkmer on Feb. 8 proposed exempting agents from the Bureau of Alcohol, Tobacco and Firearms — an agency that is reviled by many gun owners. Republican leaders argued against carving out exemptions to the bill and had hoped to keep the crime bills clean of divisive gun-related matters. But 73 Republicans joined with most Democrats to pass the amendment.

Bill McCollum, R-Fla., said that vote pointed to an obvious formula for Democratic victories: "If they want to move to our right any time they want to disrupt us, they can."

### Keeping Discipline

Republicans' unanimity has not always come easily. In several cases, Republican leaders have had to work hard to keep their party together.

Their first big challenge so far was to cope with a mini-revolt over a Contract With America proposal to require a three-fifths majority to pass tax increases as part of the balanced-budget constitutional amendment. Many moderates opposed the "supermajority," but only eight Republicans voted against it in the end. That was an easy occasion for them to swallow reservations because, by then, it was clear that the supermajority provision would fail for lack of Democratic support.

Republican leaders in both chambers also worked to keep their troops from straying on amendments to ex-

empt Social Security from spending cuts forced by the balanced-budget amendment. They offered non-binding resolutions expressing Congress' intent to protect Social Security. Democrats derided those measures as "fig leafs," but they did the job. Only six House Republicans and two Senate Republicans voted for the Democrats' proposals to exempt Social Security.

"There had to be some opportunity to express that they don't think Social Security should be used," said Senate GOP Whip Trent Lott. "That's the way you keep everyone together."

Armey called the leadership's arm-twisting "friendly persuasion" and said that Republicans do not respond well to heavy-handed party discipline.

"Republicans have lived so much as independents, I don't think they

merely have obscured their criticism of the bills' contents. "What good does it do putting out a lot of amendments that are just going to get defeated and [if] the overall message gets lost?" asked Bob Wise, D-W.Va.

### The Minority

Yet the pre-adjournment rush also exposed the Democrats' continuing difficulty adjusting to life in the minority. Democrats missed opportunities to exploit the divisions in GOP ranks.

The most notable example was the effort by GOP moderates to remove 17 provisions from an appropriations bill funding the Veterans Affairs and Housing and Urban Development departments. The bill would have limited the Environmental Protection Agency's ability to enforce clean air and water laws.

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**"Maybe it's an ego thing: We can't afford to lose in the House, even if it's not going to become law."**

— Sherwood Boehlert, R-N.Y.

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After the House voted to strike the provisions July 28, GOP leaders exercised their right to revote the question July 31. On the second vote, the leadership prevailed. Eight Democrats who voted to strike the provisions the first time failed to vote the second time, giving the GOP leadership the victory.

Democratic leader Richard A. Gephardt of Missouri rejected assertions that Democrats missed an opportunity to block a portion of the GOP agenda. "The idea that this vote was lost by the Democratic Party is ridiculous. It is being caused by an extreme agenda that is being foisted off on the American people, and I predict it will be stopped by a Republican Senate."

Republicans who led the fight to remove the EPA riders were miffed by the heavy campaign to reverse the vote orchestrated by Armeiy and Majority Whip Tom DeLay, R-Texas.

"There was intense pressure for 22 hours. Committee chairmen calling members. The whole treatment," said Sherwood Boehlert, R-N.Y. "Maybe it's an ego thing: We can't afford to lose in the House, even if it's not going to become law." ■

## Clinton's Order

President Clinton, who already has challenged the deep spending cuts orchestrated by Newt Gingrich, R-Ga., in a host of social and environmental programs, has thrown down the gauntlet on another issue: tough new registration requirements for lobbyists.

Accusing the House Speaker of dragging his feet on the lobby issue, Clinton on Aug. 4 moved on his own to restrict lobbyists' contacts with executive branch employees if they fail to abide by new disclosure requirements.

The House Republican leadership has gone on record saying that it does not expect to take up tougher lobbying registration requirements this year along the lines of the bill that the Senate passed July 25. Clinton announced from the Oval Office that he asked Attorney General Janet Reno to draft an executive order to put new requirements in place.

"The House leadership has made it clear that they will not even schedule a vote on this measure for quite a long while," Clinton said. "The debate and division; that's the same old thing. They won't put lobbyists in their proper place in our governmental structure."

While Clinton cannot directly force lobbyists to register, the executive order serves the same purpose. "From now on, the executive branch will act as if the Senate bill [S 1060] had become law," Clinton said. "Now there's no excuse for congressional delay."

Clinton's action on lobby registration was meant to draw attention to the lack of action on the issue. He and Gingrich had shaken hands to act on lobbying restrictions during a June 11 political forum in Hampshire. The two agreed to set up a bipartisan commission to study campaign finance and lobbying legislation and then submit the work to Congress for a vote. (*Weekly Report*, p. 1711)

During a pre-adjournment news conference, Gingrich said he was busy with efforts to restructure Medicare, the government's health insurance program for the elderly, to consider stiffer lobbying registration requirements.

"We have not had the mental energy and the time this summer to do anything except the appropriations bills and Medicare," he said.

Gingrich also said he is writing a paper detailing his thoughts on campaign finance reform, which he said would be finished sometime in the fall. "I think you have to think through campaign reform very carefully if you're going to have any chance to get it passed," Gingrich said.

Clinton's new reporting guidelines, like the provisions in the Senate-passed bill, are designed to close loopholes in a 1946 law that has allowed most lobbyists to avoid registering or disclosing their activities. Under the new rules, lobbyists contacting the executive branch would be required to disclose the agencies contacted, "what they are working on, how much money they've spent on the effort and what policy they are pushing or trying to get passed," said Clinton. The requirements mirror those in the Senate-passed bill. (*Weekly Report*, p. 2239)

A group of House supporters, who held a news conference July 28, announced that they would try to push the Senate bill through the House this year, applauded Clinton's action.

"I think the actions of the Senate and the president's action will isolate the House as the only place where there's absolutely nothing going on," said Thomas M. Barrett, D-Wis.

Republican Conference Chairman John A. Boehner of Ohio said the House was too busy with its agenda, including the appropriations bill, to consider lobby registration at this time.

—Jonathan D. Miller



Newt Gingrich

LOBBYING/PERQUISITES

# Prospects Bright for Gift Ban, Dim for Lobby Reform

**B**uried last fall by last-minute objections from Senate Republicans, efforts to restrict gifts from lobbyists to lawmakers may yet make it into law.

In the House, a bipartisan group of lawmakers has introduced a series of reform proposals, including a ban on most lobbyists' gifts. In the Senate, Republican leaders say they hope to bring up a gift ban this spring.

But prospects for another part of last year's bill — new reporting requirements for lobbyists — are not as bright. "We're not working on that right now," said Senate Majority Whip Trent Lott, R-Miss.

A decadeslong effort to reform the lobbying reporting laws failed in the closing days of the 103rd Congress, when the Senate GOP began blocking almost every substantive piece of legislation in an apparent effort to deny President Clinton or the Democratic-controlled Congress anything to tout in the fall elections. The Republicans said a provision in the lobbying bill could hinder grass-roots campaigns by forcing groups to disclose information about their contributors. Supporters of the bill, while rejecting the assertion, offered to drop the offending provision, but the GOP rejected the offer and killed the bill. (*1994 Weekly Report*, p. 2854)

"Some of it was sincere arguments," said Rep. Christopher Shays, a Connecticut Republican who is pushing reform efforts in the new Congress. "Some of it was bogus."

**Positive Signs for Supporters**

This time around, supporters of those efforts were encouraged by the new Republican majority's response to another bill killed in the closing days of the last Congress: the Congressional Accountability Act, which ended Congress' exemption from the most prominent workplace and anti-discrimination laws. A measure (PL 104-1) similar to the one that failed last year passed both chambers by wide margins in the first days of the new Congress. (*Weekly Report*, pp. 197, 16)

*By Jonathan D. Salant*



Shays, the chief sponsor of the bill, pointed out that members of both parties supported it. That same bipartisanship, he said, will be key to passing other internal reforms.

Along those lines, Shays and other Republican and Democratic lawmakers have proposed a series of bills concerning gifts, lobbying disclosure, frequent flier miles, campaign contributions, congressional pensions, mass mailings and unspent office funds. The proposals are still in the drafting stage.

"We want to take the partisan edge off these issues," said Thomas M. Barrett, D-Wis., who is part of the effort. "The people who are working together are not people who tear down the institution. They're working to improve the institution."

House Republican leaders said they plan to address the reform issues after the April recess. The measures will come under the jurisdiction of the Rules Committee.

"We've talked about it at least once," said GOP Conference Chairman John A. Boehner of Ohio. "Most of those issues will be on our agenda. But it hasn't bubbled up to a level of urgency at this point."

Democratic Caucus Chairman Vic Fazio of California said he was a little skeptical of the Republicans' interest in congressional reform. "It will be interesting to see whether this is an effort to freeze the minority in place," Fazio said. "They understood we were

coming at them on a whole range of these issues."

The GOP beat back Democratic attempts in the House and Senate to attach lobbying reform and a gift ban to the Congressional Accountability Act and to the new House rules approved in January. (*Weekly Report*, p. 13)

The lawmakers who will have to produce a bill are the same ones who helped defeat it the last time around. All three House Republican leaders — Speaker Newt Gingrich, Ga.; Majority Leader Dick Armey, Texas; and Majority Whip Tom DeLay, Texas — opposed the lobbying disclosure and gift ban bill during the 103rd Congress, and Gingrich helped whip up the swarm of opposition that encouraged Senate Republicans to filibuster.

**GOP's Chance To Deliver**

Shays said the Republicans now have a vested interest in pushing these issues. He said voters last fall punished freshman Democrats who campaigned as reformers but failed to deliver on their promises to change the way Congress operates. Next year, the Republicans will be at risk.

"The reformers on the Democratic side lost," Shays said. "They were defeated because they couldn't get their leadership to respond. The new [Republican] members defeated some of the reform members. They better deliver."

The House's bipartisan proposals differ somewhat from the measure that died at the end of the last Congress and was reintroduced this year by Rep. John Bryant, D-Texas, and Sen. Paul Wellstone, D-Minn. That bill (HR 119, S 71) would ban virtually all gifts or meals from lobbyists.

The bipartisan gift ban proposal, whose lead sponsors are Barrett and Enid Greene Waldholtz, R-Utah, would carve out an exemption when the benefits have no business purpose and are not deducted or reimbursed as a business expense. The exemption would track current law, which has no limits on gifts under \$100 and prohibits gifts above \$250, except from relatives, unless approved by the appropriate ethics committee. Under last year's bill, Shays

## Exon Says This Congress Will Be His Last

said, a lobbyist could not pick up the check for a spouse who happened to be a lawmaker or congressional staffer.

The House bipartisan proposal on lobbying, cosponsored by Waldholtz and Paul McHale, D-Pa., is similar to the Bryant and Wellstone provisions, but it would specifically protect the identities of individuals who participate in grass-roots activities, thus addressing the concern that killed the bill last fall.

The biggest difference between the bipartisan proposals and the original bill is that the former breaks out the gift ban from lobbying disclosure. "We need to separate each issue," Shays said. "Gift ban has the support of some members. Lobby reform has the support of other members. We want to focus on each issue. Ultimately, a bipartisan solution is the best one."

Though Bryant has introduced a resolution (H Res 40) to ban gifts, he said he would prefer that it be combined with lobbying disclosure. "It's a lot wiser to do them together," he said. "It's the same topic. It has become a staple of political campaigns and radio talk shows to characterize Congress as corrupt, which is wholly inaccurate. In order to clearly and unequivocally refute that suggestion, we have to make it plain that lobbyists are not controlling this process by plying members with food, drink, gifts, vacations, theater tickets, etc."

### Together or Apart?

Still, separating the two provisions may make it easier to pass at least one of them — the gift ban — in the Senate. Sen. Mitch McConnell, R-Ky., led the opposition to the gift ban last year. Now, he said, "we'll probably do something."

Likewise, Lott said he planned to bring up the gift ban as the next reform measure, then take a look at changing congressional pensions, which are higher than those of most other federal employees. Lobbying disclosure will have to wait, he said: "We've got to take it one at a time."

Wellstone, who led the fight to merge the proposals in the last Congress, is willing to see them broken apart as long as both pass.

"I'm not wedded to one approach or another," Wellstone said. "Both go together and have to be done. I'm going to push for both. I don't think they can put off taking action any longer on the gift ban, and lobby disclosure is a very important part of this. People can't campaign on being big reformers and come here and shut down reform." ■

Three-term Democratic Sen. Jim Exon of Nebraska made his party's climb back to Senate majority status all the steeper March 17 by announcing that he would retire at the end of the 104th Congress.

The task of finding a successor to Exon will be borne largely by his Nebraska colleague, Bob Kerrey, chairman of the Democratic Senatorial Campaign Committee.

"The old fire horse within me wanted to answer the bell for another race," Exon said. But he said that 25 years in statewide office had to be "some kind of record, especially for a Democrat in Nebraska."

Exon, 73, made his announcement at the start of a tour across his home state commemorating the kickoff of his 1970 campaign for governor. At the time, Exon was an office equipment dealer and a member of the Democratic National Committee. He later served two terms as governor (1971-79) before entering the Senate.

Exon has been known as a moderate-to-conservative Democrat, favoring fiscal restraint as a member of the Budget Committee and strong national defense on the Armed Services Committee. In his retirement announcement he noted the changes he had seen in the international balance of power during his Senate service ("We won," he said) and warned against what he called the rise of isolationism. "Isolationism is again rearing its dangerous head," he said. "We are and must remain a world power for obvious reasons."

He often stood with the Democratic leadership on tough votes. Although representing a Western state, he supported a waiting period on handgun purchases and President Clinton's power to lift the ban on gays in the military.

But his vote was often unpredictable. He voted to confirm Clarence Thomas to the Supreme Court. And in the first Senate showdown vote of 1995, he voted with the Republicans to approve a balanced-budget amendment to the Constitution.

Exon's re-election in 1996 had been far from certain, but neither was he considered among the most vulnerable



Exon



Bereuter

Democrats. Among prospective Republican Exon were Omaha Stoney (who lost Kerrey in 1994) and Rep. Doug Bereuter.

"[Exon's] not complete surprise," said executive director of publican Party. "Black of hint of it floored everyone."

Besides Bereuter Aboud mentioned man Chuck Hagel, a tion official under Reagan and George Attorney General D.

Named first amc Gov. Ben Nelson, w in 1994 with 73 per the biggest share en ernor seeking re-election mentioned by Den Gov. Kim Robak, Sr islature Ron Withem nessman Mike Fahe Rep. John Cavanaugh

Exon became the say this Congress w Announcing earlier Paul Simon of Illinc veteran J. Bennett Jc ana, both Democrats termer Hank Brown

## ... But Strengthen the Reins of Power

### Term Limits

- **Speaker.** The Speaker may serve no more than four consecutive two-year terms.
- **Committee, subcommittee chairmen.** Chairmen of committees and subcommittees may hold their positions for no more than three consecutive terms. The limits begin this Congress.
- **Budget, Intelligence committees.** Members may serve on the Budget Committee for four terms during any six Congresses. Previously, members were limited to three terms in any five Congresses. For the Select Intelligence Committee, members may serve up to four terms in any six successive Congresses. The chairman and ranking minority member may serve in one additional Congress if they began their terms in the preceding Congress. Previously, members were limited to three terms.

### Floor Procedures

- **Supermajority for tax increases.** A three-fifths majority of members voting is required to pass any bill, amendment or conference report containing an increase in income tax rates.
- **Retroactive tax increase.** No retroactive tax increases that take effect prior to the date of enactment of the bill are allowed.
- **Delegate voting.** Delegates from the District of Columbia, Guam, the Virgin Islands and American Samoa, and the resident commissioner of Puerto Rico, may no longer vote in or preside over the Committee of the Whole, which the House enters into when it is amending a bill on the floor. The Democrats permitted delegates to vote under such circumstances. Delegates may continue to vote in committees.
- **Verbatim Congressional Record.** Members may no longer delete or change remarks made on the floor in the Congressional Record except for technical or grammatical correc-

tions. Remarks inserted through unanimous consent to revise and extend a speech will appear in the record in a different typeface.

- **Roll call votes.** Automatic roll call votes are required on bills and conference reports that make appropriations and raise taxes. The annual budget resolution and its conference report will have a mandatory roll call as well.
- **Appropriations amendments.** Members are guaranteed the right to offer so-called limitation amendments, which specify that no funds may be spent for a particular purpose, without having to defeat a motion to end amendments — unless the majority leader offers that motion.
- **Motions to recommit.** The minority leader or his designee is guaranteed the right to offer a so-called motion to recommit with instructions on a bill under consideration in the House. Such a motion enables the minority to propose changes, and the vote on sending the bill back to committee to make those revisions.
- **Commemoratives.** Commemorative legislation may not be introduced or considered.

### Administration

- **Administrative offices.** The Office of the Doorkeeper is abolished, its functions transferred to the sergeant at arms. A new position of chief administrative officer (CAO) is created, replacing the director of non-legislative services. The CAO is nominated by the Speaker and elected by the full House.
- **House audit.** The House inspector general is instructed to complete an audit of the financial records of the House while it was under the control of the Democrats. He may contract with a private accounting firm to perform the audit, if necessary.
- **Legislative service organizations.** Funding for so-called legislative service organizations, the 28 caucuses in the House that received office space and budgets to operate in the House, is abolished.

failed to note that Democrats used the same tactics in past years to pass their rules packages without amendments. They also said that by breaking the package up into eight sections, they were giving Democrats ample opportunity to pick off particular rules if they could have summoned enough opposition.

Perhaps the most controversial rules change would require a three-fifth vote of the House in order to pass an income tax increase. The vote on the rule was 279-152 with no Republican voting against the idea. But the margin masked a deeper concern among GOP moderates, who are pushing the GOP leadership to keep a similar provision out of the constitutional amendment to require a balanced budget that is coming to the floor later this month. (*Vote 11, p. 124*)

Many lawmakers said that the three-fifths rule has only symbolic value, since it is doubtful the Republicans will attempt to raise taxes this Congress anyway. Even skeptics like Judiciary Committee Chairman Henry

J. Hyde, R-Ill., voted for the rules change under pressure from the leadership to remain unified.

"I'm chairman of a major committee, and I don't feel strongly enough about it that I'm going to openly rebel," said Hyde. But he acknowledged being troubled by the idea of giving a minority of the House the power to block legislation.

Republican leaders were able to turn back several Democratic efforts to toughen congressional ethics rules, an area ignored in the GOP package.

Specifically, the Democrats made two procedural attempts to include a ban on lobbyists' gifts to members and tougher lobbying registration requirements, as well as to impose a limit on royalties from books written by members. But both attempts were defeated on virtually party-line votes. (*Vote 4, p. 122; vote 14, p. 124*)

President Clinton echoed the call for tougher gift restrictions in a letter laying out his legislative priorities and

sent to congressional leaders on Jan. 11.

Republicans responded that, once they complete action on the elements of the contract, they will turn to legislation on members' gifts from lobbyists, registration of lobbyists and changes in campaign finance laws.

But Majority Whip Tom DeLay, R-Texas, conceded that the bill crafted by the Republicans "probably won't look like" the tough measures to require lobby restrictions and prohibit virtually all gifts from lobbyists that passed the House last year before dying in the Senate.

When introduced by the Republicans, the new lobby registration bill likely will be treated as an important test of the party's commitment to reform the House. Now that opening day is over and their rules are in place, House Republicans finally are running the chamber they have sought for decades. But changing the rules of the House is one thing. Rehabilitating the reputation of the House will take longer.

## Gingrich To Name Panel

Seeking to stop criticism that a committee appointed by the Speaker could not conduct an impartial investigation of ethics complaints against him, House Speaker Newt Gingrich, R-Ga., announced Jan. 6 that he would create a special panel to examine questions about donations to a political fund he headed.

The House ethics committee was unable to determine last year whether Gingrich violated House rules when he solicited tax-deductible contributions for a college course he taught. The charges were brought last September by former Rep. Ben Jones, D-Ga. (1989-93), who was defeated by Gingrich in November. (*1994 Weekly Report*, p. 3323)

The Speaker appoints the seven members of the ethics committee from his party, and Gingrich would have been in the position of selecting those responsible for his own investigation. David E. Bonior of Michigan, the Democratic whip, called Dec. 8 for an independent counsel to investigate the case. (*1994 Weekly Report*, p. 3492)

Gingrich said that the new panel would be composed of members of the Committee on Standards of Official Conduct from the 103rd Congress. They had been selected by former Speaker Thomas S. Foley, D-Wash., and former Minority Leader Robert H. Michel, R-Ill. The Democratic chairman was Jim McDermott, D-Wash. The top Republican, Fred Grandy of Iowa, left Congress after losing a bid for governor.

Jones' complaint focuses on fundraising for a course Gingrich taught at Kennesaw State College and later at private Reinhardt College, called "Renewing American Civilization." GOPAC, an independent political group headed by Gingrich, raised money for the course through tax-deductible contributions. Jones alleged that the course is little more than a recruitment tool for Republican candidates, and had aims that were political, not educational. He also said that Gingrich's congressional staff helped produce the course.

Democrats criticized Gingrich's ties to GOPAC and its secret list of contributors at several points in debate on rules changes Jan. 4.

—Peter MacPherson

"We haven't begun to decide how we're going to cope in the minority," said Charles W. Stenholm, D-Texas.

A glimpse of internal dissent among Democrats emerged during the vote for Speaker: Two conservative Democrats, Gene Taylor and Mike Parker, both of Mississippi, voted "present" rather than endorse Gephardt.

Parker said the re-election of Gephardt as Democratic leader was like going to the captain of the *Titanic* and saying, "Let's go on a boat ride."

Democrats found little to oppose in the rules package itself, but they complained bitterly because Republicans were prohibiting any amendments to the package. The squabble was a stark reversal of roles for the two parties because for years in the minority, Republicans complained about precisely the same practice when Democrats shut out amendments.

Each side accused the other of hypocrisy — not a pretty sight for those who hoped the debate would help restore public confidence in Congress.

"If the current yes-you-did, no-I-

didn't wallowing in hypocrisy continues, the voters will say a plague on both your houses," said Pat Williams, D-Mont.

Democrats criticized Republicans' reform agenda for not doing more to curb special interest influence in Congress. Democrats said they wanted to add a proposal to ban members from accepting gifts from lobbyists and to impose new limits on book royalties.

The book royalty proposal was an obvious slap at Gingrich, who in December was mired in controversy over a \$4.5 million advance he had been offered to produce two books. It was a deal that met with criticism from fellow Republicans as well as Democrats, who said he was cashing in on his new position of power. Gingrich turned down the advance in favor of receiving royalties on future book sales, saying he did not want the controversy to eclipse the GOP agenda in Congress.

The Democrats' proposal to limit royalties and gifts provoked a vintage Gingrich barrage of partisan firepower just a few hours before his conciliatory acceptance speech. "To have the party,

which has run this House like a machine, which was defeated after 40 years, which has been repudiated, to have the same gang in charge come back now... saying, 'Oh, we're not being fair, we're not for real reform...' " Gingrich said. "Now they're for real reform. It does, at times, make one wonder about just how dumb they think the American people are."

But Gingrich made a point of promising in his acceptance speech that the House would consider campaign finance reform, lobbying reform and gift-ban legislation this spring.

### For the GOP — An Easy Sell

Opening day in the House also provided the first test of Republicans' ability to hold their troops in line.

House Republican Whip Tom DeLay, R-Texas, said one of his first jobs as enforcer of the party line was to make sure Republicans — especially the many freshmen who had been elected on reform platforms — stuck with the GOP leadership in blocking Democratic efforts to offer a gift ban.

It was an easy sell, DeLay said, particularly because the Democrats linked it to the book royalty proposal that was so obviously directed at Gingrich.

"That made it real easy for the freshmen," said DeLay.

There was little question that Republicans would unanimously back most other House rules. However, there was one proposal for which unanimity could not be taken for granted: a proposed rule requiring a three-fifths majority to approve income tax increase.

Sherwood Boehlert, R-N.Y., said between 25 and 30 Republicans, most moderates, had concerns about including such a restriction in the constitutional amendment to balance the budget. A key question was whether they would swallow that reservation and support a similar restriction as a House rule.

They did: The rule passed with Republican opposition — because a limit is almost meaningless in House rules, said Gunderson. The three-fifths requirement can be waived by majority vote.

Even DeLay acknowledged that a limit was largely symbolic. "It does make a whole lot of difference," he said. "So long as Gingrich is Speaker, there won't be a tax increase."

Whatever reservations members might have had, nothing mattered more than sticking together on that day of heady pride in being a Republican. "I want to show unity within the Republican Party today," said Boehlert. "There is a genuine team spirit today."

I ask the departments and agencies to provide an initial report on the results of the review to the Vice President through the National Performance Review within 90 days of the date of this memorandum.

The information gained from this review will be combined with information gathered through the Vice President's "Father to Father" initiative and other father involvement programs to determine the direction of those programs for the future. The National Performance Review, together with the Domestic Policy Council, will recommend further action based on the results of this review.

**William J. Clinton**

NOTE: This item was not received in time for publication in the appropriate issue.

**Letter to the Speaker of the House of Representatives on a Bipartisan Commission on Political Reform**

*June 16, 1995*

*Dear Mr. Speaker:*

I was delighted when you and I agreed to the suggestion of a citizen in New Hampshire that we create a bipartisan commission to address the issues of political reform. As you stated at the time, this proposal offers the best chance in a generation to break through the stalemate between the parties that has blocked progress for reform. As you know, the citizen stated that this commission should be modeled after the base closing commission; I agree. This is an idea with wide appeal: in addition to our agreement, this proposal has previously been endorsed by Senate Majority Leader Dole, and a similar proposal has been introduced by Representatives Maloney, Meehan, Johnson, and others. I am writing to set forth my views on the best way to write into legislation the agreement we reached in New Hampshire.

As you know, to succeed, such a panel must be distinguished and truly bipartisan; it must have a firm deadline for action; and it must have a mechanism for presenting its proposals to the President and the Congress in such a way that we will be forced to act on them in a timely and comprehensive manner. Several times in recent years, particu-

larly thorny issues, including base closings and congressional and judicial pay, have been addressed in this fashion.

First, the commission should be bipartisan in nature. Under this model, it would be comprised of eight members, appointed by the President in consultation with the leaders of the Congress. The President would make two appointments; two would be made in consultation with the Speaker of the House; two would be made in consultation with the Majority Leader of the Senate; one each would be made in consultation with the minority leaders of the House and Senate. No more than four commissioners could be members of any one political party. To ensure that the commissioners are independent, receive the trust of the people, and can take a fresh look at these issues, they should not be current Federal officials or Members of Congress, or officers of or counsel to the political parties. In this fashion, we have an opportunity to achieve consensus and balance that will produce a national consensus on reform.

Second, the commission should be given a firm deadline in which to act—by February 1, 1996. These issues, while difficult, are not new, and can be fruitfully addressed in that time. The American people want to know that we will act during this Congress, and I believe the best chance of that is before the electoral season begins in the summer of 1996. The commission would be charged with considering all the issues of political reform, including campaign finance reform and lobby reform. Let me be clear: I do not believe that this proposal for establishing a commission should deter or detract from the previously scheduled Senate action on political reform (S. 101), a measure I strongly support. That would be contrary to the purpose of the entire enterprise—making progress on reforms that are stalled, not to delay action on measure that are moving forward. If the Congress has taken final action on any of these matters before the commission meets, the panel could choose not to address them altogether.

Third, its recommendations must be dealt with in an expedited and comprehensive manner, in the same fashion as the proposals of the base closing commission. They would

be sent to the President, who would reject them or send them on to the Congress in their entirety. They should then be considered on the "fast track"—an up or down vote, with no amendments, within 30 days of the submission by the President. Only in this way can the American people be assured that narrow interests do not pick apart the coherent and comprehensive recommendations of the bipartisan commission. (As you know, the recommendations of the base closing commission take effect unless they are rejected by the Congress, but in this instance I believe it is more appropriate to give the Congress the opportunity to vote up or down.)

Working together to follow up on our New Hampshire agreement, we have a rare opportunity for truly bipartisan cooperation on a matter of urgent concern to the American people. We have a chance to put aside partisan interests to work toward the national interest. I look forward to working with you toward this end, and to hearing your views on this proposal or others you might have for moving ahead, and I have directed my staff to meet with your staff on this matter. If we take these steps, we will set in motion a process that could truly transform American politics for the better.

Sincerely,

William J. Clinton

NOTE: This item was not received in time for publication in the appropriate issue.

### Remarks on the Unveiling of a Group of Seven Commemorative Plaque in Halifax

June 17, 1995

Ladies and gentlemen, I just wanted to say a few words—I'm sure I speak on behalf of all of us here—to thank the people of Halifax and Nova Scotia and the leaders for making us feel so welcome, and to say a special word of appreciation for the leadership Prime Minister Chrétien has given to this conference. The people of Canada can be very, very proud of the direction and leadership that he gave this G-7 conference. It has been more businesslike, more informal, and more specific in its suggestions for what we can

do to improve the lives of our people than many of our previous meetings. And I think it is due to the leadership of the Prime Minister. And all of us wanted to express that to the people of Canada. We are very, very grateful for it.

Thank you.

NOTE: The President spoke at 10:05 a.m. at the Halifax Waterfront. A tape was not available for verification of the content of these remarks.

### The President's Radio Address

June 17, 1995

Good morning. I'm speaking to you from Halifax, Canada, where I've been meeting with the leaders of the world's largest industrial democracies. We've taken concrete steps to strengthen the world economy. We've agreed on measures to anticipate and prevent future financial crises, like the one that happened earlier this year in Mexico, and to promote economic growth in countries that will provide markets of tomorrow for our American exports.

The work we're doing here is part of my administration's strategy to create jobs and raise incomes and living standards for the American people. Our responsibility is to restore the American dream, to give our children the chance that we've had to make America work well for all people who work hard.

To do that, one of the things we have to do is to reduce the deficit and balance the budget. Earlier this week, I outlined my plan to balance the budget in 10 years. This plan proves we can balance the budget while we continue to invest in the things that will keep America strong, things like education, health care, medical research, and technology. My plan will keep our economy strong as we eliminate the deficit. And unlike other plans, my plan protects the people in our country who have so much to give and who have given so much.

For example, my plan would avoid a number of cuts proposed by the Congress that would seriously hurt hundreds of thousands of American veterans. The House budget plan has proposed quadrupling the amount veterans pay for the prescription drugs they

it of it, so that if the any conclusion, they ere making the prob- worse.

reason we kind of I think it was a mis- gs are good, because the President to be- ly in this security en- lay. And I think peo- s should be able to officials face to face, it's good to create

critical going around start treating each ighbors if I'm holed talk when I'm giving o can't respond. So

glad you're here too. ose Billings as the hall meetings again. veryone in Montana Wyoming in thanking with us tonight, sir. nk all of you very t believe it's 8:00

s Koernig at KTVQ have some closing

'm fine. I'll tell you ody have a question es or no? [Laughter] quick.

he costs of incarcer- to rise, will you take y intervention and at will help children but to become suc- ciety?

lutely. It was a big st year. The crime s, money for police, on, and money for ngress want to take ut; I want to keep

ick.

### Education Funding

**Q.** Mr. President, will you veto the rescission bill if they do not put education back into the proposed cuts?

**The President.** Yes, I will. But I want to sign a rescission bill. They're right—the Congress is right to cut that spending, but they shouldn't have done what was done in the conference committee. If they will fix the education, I'll sign it. We ought to have one. It's the right thing to do, but we've got to establish some standards. When you cut spending, what you do spend becomes even more important.

### The Environment

**Q.** Mr. President, if the Republicans rewrite the Endangered Species Act or the Clean Air and Water Acts, will you veto that revision?

**The President.** Well, it depends on what they do. If this bill the House passed on clean water passes, I'll veto that. But I do believe that there are Republicans and Democrats in the Senate who will try to work together to give us some responsible revisions. And we're trying to revise the way the Endangered Species Act is administered, and all these things trying to push more down to the local level. But we can't abandon them. There is a reason that we have an Endangered Species Act. We brought the eagle back, we're bringing the grizzly bear back, and if we can preserve diversity, it will be good for the environment. But we've got to do it with common sense, and we can do that.

### Native American Issues

**Q.** I want to know if you'd fully fund the tribally controlled community colleges?

**The President.** Well, we've got some—you know, we did some things for the tribal community colleges that—had not done before and made them eligible for certain streams of Federal money. I can't promise to fully fund anything in this budgetary environment; I wish I could, but I can't.

**Q.** Dave Henry, a federal whistle-blower of the Bureau of Indian Affairs, formerly. The Indian trust accounts are short between \$1 billion and \$2 billion—that's with a "b" not an "m"—billion dollars Federal Indian

personal money gone. Could you please ask the Bureau of Indian Affairs to reform the system of accounting for Indian trust funds?

**The President.** I will look into that. That's the second question I don't know the answer to tonight, but I'll look into it.

Any real quick yes or no's?

### Campaign Finance Reform.

**Q.** Will you support any change in procedures which would eliminate the soft money in political campaigns which is allowing wealthy individuals in corporations to give very large amounts to the political campaigns?

**The President.** Yes, I will. I think that the Democratic majority in Congress last time made a mistake not to pass campaign finance reform. I think the lobby reform bill ought to pass as well, which would ban the giving of gifts and require disclosure of lobbying activities. Those two things would do a lot to straighten up politics in Washington. Yes, I will—both of them, strongly.

**Mr. Koernig.** Mr. President, this is absolutely the last question.

**The President.** Okay.

### The Environment

**Q.** Can we do anything to save the endangered species that are out there that people are killing and that we can try to set laws so they will be free to roam and so their population can grow?

**The President.** That's what the Endangered Species Act is supposed to do. And the people who don't like it believe that we try to save endangered species that aren't important and hurt people a lot economically. And here's what we've got to do. What we've got to do is to find a way to make sure that we don't hurt people so much economically, but we do save the species. And in a way, they're all important because it's the whole web of our country, all the biological species that give us what we know of as Montana or my home State. So I'm going to do what I can to save the Endangered Species Act and to implement it in a way that makes good sense, so all the people who don't like it will dislike it less and we'll save the species.

**Mr. Koernig.** Mr. President, thank you again. That was a terrific encore.

Fundraising for terrorism and use of the U.S. banking system for transfers on behalf of such organizations are inimical to American interests. Further, failure to take effective action against similar fundraising and transfers in foreign countries indicate the need for leadership by the United States on this subject. Thus, it is necessary to provide the tools to combat any financial support from the United States for such terrorist activities. The United States will use these actions on our part to impress on our allies in Europe and elsewhere the seriousness of the danger of terrorist funding threatening the Middle East peace process, and to encourage them to adopt appropriate and effective measures to cut off terrorist fundraising and the harboring of terrorist assets in their territories and by their nationals.

The measures we are taking demonstrate our determination to thwart acts of terrorism that threaten to disrupt the Middle East peace process by attacking any material or financial support for such acts that may emanate from the United States.

**William J. Clinton**

The White House,  
January 23, 1995.

NOTE: This message was released by the Office of the Press Secretary on January 24.

**Address Before a Joint Session of the Congress on the State of the Union**

January 24, 1995

Mr. President, Mr. Speaker, Members of the 104th Congress, my fellow Americans: Again we are here in the sanctuary of democracy, and once again our democracy has spoken. So let me begin by congratulating all of you here in the 104th Congress and congratulating you, Mr. Speaker.

If we agree on nothing else tonight, we must agree that the American people certainly voted for change in 1992 and in 1994. And as I look out at you, I know how some of you must have felt in 1992. [Laughter]

I must say that in both years we didn't hear America singing, we heard America shouting. And now all of us, Republicans and Democrats alike, must say, "We hear you.

We will work together to earn the jobs you have given us. For we are the keepers of a sacred trust, and we must be faithful to it in this new and very demanding era."

Over 200 years ago, our Founders changed the entire course of human history by joining together to create a new country based on a single powerful idea: "We hold these truths to be self-evident, that all men are created equal, . . . endowed by their Creator with certain unalienable Rights, and among these are Life, Liberty and the pursuit of Happiness."

It has fallen to every generation since then to preserve that idea, the American idea, and to deepen and expand its meaning in new and different times: to Lincoln and to his Congress to preserve the Union and to end slavery; to Theodore Roosevelt and Woodrow Wilson to restrain the abuses and excesses of the industrial revolution and to assert our leadership in the world; to Franklin Roosevelt to fight the failure and pain of the Great Depression and to win our country's great struggle against fascism; and to all our Presidents since to fight the cold war. Especially, I recall two who struggled to fight that cold war in partnership with Congresses where the majority was of a different party: to Harry Truman, who summoned us to unparalleled prosperity at home and who built the architecture of the cold war; and to Ronald Reagan, whom we wish well tonight and who exhorted us to carry on until the twilight struggle against communism was won.

In another time of change and challenge, I had the honor to be the first President to be elected in the post-cold-war era, an era marked by the global economy, the information revolution, unparalleled change and opportunity and insecurity for the American people. I came to this hallowed Chamber 2 years ago on a mission, to restore the American dream for all our people and to make sure that we move into the 21st century still the strongest force for freedom and democracy in the entire world. I was determined then to tackle the tough problems too long ignored. In this effort I am frank to say that I have made my mistakes, and I have learned again the importance of humility in all human endeavor. But I am also proud to say

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tonight that our country is stronger than it was 2 years ago. [Applause] Thank you.

Record numbers of Americans are succeeding in the new global economy. We are at peace, and we are a force for peace and freedom throughout the world. We have almost 6 million new jobs since I became President, and we have the lowest combined rate of unemployment and inflation in 25 years. Our businesses are more productive. And here we have worked to bring the deficit down, to expand trade, to put more police on our streets, to give our citizens more of the tools they need to get an education and to rebuild their own communities.

But the rising tide is not lifting all boats. While our Nation is enjoying peace and prosperity, too many of our people are still working harder and harder, for less and less. While our businesses are restructuring and growing more productive and competitive, too many of our people still can't be sure of having a job next year or even next month. And far more than our material riches are threatened, things far more precious to us, our children, our families, our values.

Our civil life is suffering in America today. Citizens are working together less and shouting at each other more. The common bonds of community which have been the great strength of our country from its very beginning are badly frayed. What are we to do about it?

More than 60 years ago, at the dawn of another new era, President Roosevelt told our Nation, "New conditions impose new requirements on Government and those who conduct Government." And from that simple proposition, he shaped the New Deal, which helped to restore our Nation to prosperity and define the relationship between our people and their Government for half a century.

That approach worked in its time. But we today, we face a very different time and very different conditions. We are moving from an industrial age built on gears and sweat to an information age demanding skills and learning and flexibility. Our Government, once a champion of national purpose, is now seen by many as simply a captive of narrow interests, putting more burdens on our citizens rather than equipping them to get ahead.

The values that used to hold us all together seem to be coming apart.

So tonight we must forge a new social compact to meet the challenges of this time. As we enter a new era, we need a new set of understandings, not just with Government but, even more important, with one another as Americans.

That's what I want to talk with you about tonight. I call it the New Covenant. But it's grounded in a very, very old idea, that all Americans have not just a right but a solemn responsibility to rise as far as their God-given talents and determination can take them and to give something back to their communities and their country in return. Opportunity and responsibility: They go hand in hand. We can't have one without the other. And our national community can't hold together without both.

Our New Covenant is a new set of understandings for how we can equip our people to meet the challenges of a new economy, how we can change the way our Government works to fit a different time, and, above all, how we can repair the damaged bonds in our society and come together behind our common purpose. We must have dramatic change in our economy, our Government, and ourselves.

My fellow Americans, without regard to party, let us rise to the occasion. Let us put aside partisanship and pettiness and pride. As we embark on this new course, let us put our country first, remembering that regardless of party label, we are all Americans. And let the final test of everything we do be a simple one: Is it good for the American people?

Let me begin by saying that we cannot ask Americans to be better citizens if we are not better servants. You made a good start by passing that law which applies to Congress all the laws you put on the private sector, and I was proud to sign it yesterday. But we have a lot more to do before people really trust the way things work around here. Three times as many lobbyists are in the streets and corridors of Washington as were here 20 years ago. The American people look at their Capital, and they see a city where the well-connected and the well-protected can work

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the system, but the interests of ordinary citizens are often left out.

As the new Congress opened its doors, lobbyists were still doing business as usual; the gifts, the trips, all the things that people are concerned about haven't stopped. Twice this month you missed opportunities to stop these practices. I know there were other considerations in those votes, but I want to use something that I've heard my Republican friends say from time to time, "There doesn't have to be a law for everything." So tonight I ask you to just stop taking the lobbyists' perks. Just stop. We don't have to wait for legislation to pass to send a strong signal to the American people that things are really changing. But I also hope you will send me the strongest possible lobby reform bill, and I'll sign that, too.

We should require lobbyists to tell the people for whom they work what they're spending, what they want. We should also curb the role of big money in elections by capping the cost of campaigns and limiting the influence of PAC's. And as I have said for 3 years, we should work to open the airwaves so that they can be an instrument of democracy, not a weapon of destruction, by giving free TV time to candidates for public office.

When the last Congress killed political reform last year, it was reported in the press that the lobbyists actually stood in the Halls of this sacred building and cheered. This year, let's give the folks at home something to cheer about.

More important, I think we all agree that we have to change the way the Government works. Let's make it smaller, less costly, and smarter; leaner, not meaner. *[Applause]*

I just told the Speaker the equal time doctrine is alive and well. *[Laughter]*

The New Covenant approach to governing is as different from the old bureaucratic way as the computer is from the manual typewriter. The old way of governing around here protected organized interests. We should look out for the interests of ordinary people. The old way divided us by interest, constituency, or class. The New Covenant way should unite us behind a common vision of what's best for our country. The old way dispensed services through large, top-down, inflexible

bureaucracies. The New Covenant way should shift these resources and decision-making from bureaucrats to citizens, injecting choice and competition and individual responsibility into national policy. The old way of governing around here actually seemed to reward failure. The New Covenant way should have built-in incentives to reward success. The old way was centralized here in Washington. The New Covenant way must take hold in the communities all across America. And we should help them to do that.

Our job here is to expand opportunity, not bureaucracy, to empower people to make the most of their own lives, and to enhance our security here at home and abroad. We must not ask Government to do what we should do for ourselves. We should rely on Government as a partner to help us to do more for ourselves and for each other.

I hope very much that as we debate these specific and exciting matters, we can go beyond the sterile discussion between the illusion that there is somehow a program for every problem, on the one hand, and the other illusion that the Government is a source of every problem we have. Our job is to get rid of yesterday's Government so that our own people can meet today's and tomorrow's needs. And we ought to do it together.

You know, for years before I became President, I heard others say they would cut Government and how bad it was, but not much happened. We actually did it. We cut over a quarter of a trillion dollars in spending, more than 300 domestic programs, more than 100,000 positions from the Federal bureaucracy in the last 2 years alone. Based on decisions already made, we will have cut a total of more than a quarter of a million positions from the Federal Government, making it the smallest it has been since John Kennedy was President, by the time I come here again next year.

Under the leadership of Vice President Gore, our initiatives have already saved taxpayers \$63 billion. The age of the \$500 hammer and the ashtray you can break on "David Letterman" is gone. Deadwood programs, like mohair subsidies, are gone. We've streamlined the Agriculture Department by

reducing it by more than slashed the small business manual from an inch thick to a single page away the Government's personnel manual.

And the Government important ways: FEMA, Agency Management Agency being a disaster to help others. You can ask the far West who fought the floods in California who had and earthquakes and fires that. Government worked hand with private business California's fractured free and under budget. And Government moved fast 5,600 schools damaged in back in business.

Now, there are a lot of things I could talk about. I want to talk about it because it will be discussed in the next few weeks. Universities over the country have to be saving weeks and weeks of time now because of our dire program, which makes college more affordable with better for students, costs the Government cuts out paperwork and Government and for that shouldn't cap that program every college in America be a part of it.

Previous Government dust. The reinventing Government getting results. And there's going to be a reinventing Government. \$130 billion in spending programs, extending our spending, cutting 60 programs down to 3, getting programs we do not need, Commerce Commission serve Program. And we're rid of unnecessary regulations that have outlived their usefulness. They should go. We have to cernment to help solve to

We need first to identify what we can agree on and move this country forward. And we ought to start with lobby reform and these other reforms. Then we ought to move on to responsible tax reform that I hope will focus on the middle class bill of rights and giving people education deductions because that will build the economy.

This is Mike McCurry's press conference, and I've already said enough.

Thank you.

NOTE: The President spoke at 1:46 p.m. in the Briefing Room at the White House.

### Letter to Congressional Leaders on the Agenda for the 104th Congress January 5, 1995

Dear Mr. Speaker:

We have an opportunity to make historic change in the way that Washington works and the government does the people's business.

This week, the Congress has begun to take important and positive steps to change its operations for the better. Shrinking the number of committees, reducing staff, and other measures are valuable, and long overdue. The passage of legislation that would apply to Congress the laws that apply to the public is only fair, is simple common sense, and is also long overdue. I hope that this time, unlike the last session of Congress, the Senate follows the House's action. I congratulate you on these steps.

But true congressional reform must reduce the power of lobbyists and special interests. The power of organized money in Washington hurts the middle class, bloats spending and the deficit, and blocks needed change. Today, some 90,000 people in Washington are associated with lobbying Congress on behalf of specific interests, which too often are able to manipulate the congressional process to insert spending projects or tax provisions in legislation that do not serve the larger public's interest. Lobby power coupled with the ever-escalating cost of campaigns, which has risen fourfold over the past two decades, gives wealthy interests and wealthy candidates disproportionate influence in decisionmaking.

These are not partisan concerns; they are American concerns. I urge you, as you undertake the task of reforming Congress, to take on these real political reform issues.

First, as you enact legislation to apply general laws to Congress, it is vital that professional lobbyists be barred from giving gifts, meals and entertainment to members of Congress—just as they are now barred from giving these benefits to executive branch officials.

Second, Congress should also quickly enact legislation to bring professional lobbyists into the sunlight of public scrutiny. The current lobby disclosure statute is cumbersome and antiquated. Lobbyists should disclose who their clients are, what bills they seek to pass or block, and how much they are paid.

Third, I am pleased that the Congress wants to pass a line item veto authority for the President, something that I have consistently supported before and during the 1992 campaign and since. The line item veto authority will help us cut unnecessary spending and reduce the budget deficit. It is a powerful tool for fighting special interests, who too often are able to win approval of wasteful projects through manipulation of the congressional process, and bury them in massive bills where they are protected from Presidential vetoes. It will increase the accountability of government. I want a strong version of the line item veto, one that enables the President to take direct steps to curb wasteful spending. This is clearly an area where both parties can come together in the national interest, and I look forward to working with the Congress to quickly enact this measure.

Finally, we must clean up political campaigns, limit the cost of campaigning, reduce the role of special interests, and increase the role of ordinary citizens. Real campaign finance reform, too, should be an area of bipartisan cooperation. Requiring broadcasters to provide time to bona fide candidates would cut the cost of campaigning and ensure that voters hear all arguments, regardless of candidate wealth. Strong proposals for free TV time have been introduced in previous years by Senator Dole and by the new chair of the House Commerce Committee,

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HR2566

Smith Linda (R-WA)  
Introduced in House

10/31/95

(1861 lines)

To reform the financing of Federal elections, and for other purposes.

Special typefaces used in this bill version:

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Item Key: 6494

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104TH CONGRESS  
1ST SESSION

H. R. 2566

To reform the financing of Federal elections, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

October 31, 1995

Mrs. SMITH of Washington (for herself, Mr. MEEHAN, Mr. SHAYS, Mr. MINGE, Mrs. ROUKEMA, Mr. BEREUTER, Mr. POSHARD, Mr. CARDIN, Mr. LEACH, Mr. HORN, Mr. INGLIS of South Carolina, and Mr. FORBES) introduced the following bill; which was referred to the Committee on House Oversight

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A BILL

To reform the financing of Federal elections, and for other purposes.

//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 "Bipartisan Clean Congress Act of 1995".

!!SEC. 2. TABLE OF CONTENTS.!!

The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I--HOUSE OF REPRESENTATIVES ELECTION SPENDING  
LIMITS  
AND BENEFITS

- Sec. 101. House of Representatives election spending limits and benefits.
- Sec. 102. Broadcast rates and preemption.
- Sec. 103. Reduced postage rates.
- Sec. 104. Contribution limit for eligible House of Representatives candidates.
- Sec. 105. Reporting requirements.

TITLE II--REDUCTION OF SPECIAL INTEREST INFLUENCE  
SUBTITLE A--ELIMINATION OF POLITICAL ACTION  
COMMITTEES  
FROM FEDERAL ELECTION ACTIVITIES

- Sec. 201. Ban on activities of political action committees in Federal elections.
- Sec. 202. Aggregate limit on large contributions.
- Sec. 203. Contributions by lobbyists.

SUBTITLE B--PROVISIONS RELATING TO SOFT MONEY OF  
POLITICAL  
PARTIES

- Sec. 211. Soft money of political parties.
- Sec. 212. Reporting requirements.
- Sec. 213. Building fund exception to the definition of the term "contribution".

SUBTITLE C--SOFT MONEY OF PERSONS OTHER THAN  
POLITICAL  
PARTIES

- Sec. 221. Soft money of persons other than political parties.

SUBTITLE D--CONTRIBUTIONS

- Sec. 231. Contributions through intermediaries and conduits.

SUBTITLE E--ADDITIONAL PROHIBITIONS ON CONTRIBUTIONS

- Sec. 241. Allowable contributions for candidates.

SUBTITLE F--INDEPENDENT EXPENDITURES

- Sec. 251. Provisions relating to independent expenditures.
- Sec. 252. Reporting requirements for certain independent

expenditures.

TITLE III--MISCELLANEOUS PROVISIONS

- Sec. 301. Restrictions on use of campaign funds for personal purposes.
- Sec. 302. Campaign advertising amendments.
- Sec. 303. Filing of reports using computers and facsimile machines.
- Sec. 304. Audits.
- Sec. 305. Change in certain reporting from a calendar year basis to  
an election cycle basis.
- Sec. 306. Disclosure of personal and consulting services.
- Sec. 307. Use of candidates' names.
- Sec. 308. Reporting requirements.
- Sec. 309. Simultaneous registration of candidate and candidate's principal campaign committee.
- Sec. 310. Independent litigation authority.
- Sec. 311. Insolvent political committees.
- Sec. 312. Regulations relating to use of non-Federal money.
- Sec. 313. Term limits for Federal Election Commission.
- Sec. 314. Authority to seek injunction.
- Sec. 315. Expedited procedures.
- Sec. 316. Official mass mailing allowance.
- Sec. 317. Provisions relating to members' official mail allowance.
- Sec. 318. Intent of Congress.
- Sec. 319. Severability.
- Sec. 320. Expedited review of constitutional issues.
- Sec. 321. Effective date.
- Sec. 322. Regulations.

!!TITLE I--HOUSE OF REPRESENTATIVES ELECTION SPENDING LIMITS AND BENEFITS!!

!!SEC. 101. HOUSE OF REPRESENTATIVES ELECTION SPENDING LIMITS AND BENEFITS.!!

The Federal Election Campaign Act of 1971 is amended by adding  
at the end the following new title:

!!"TITLE V--SPENDING LIMITS AND BENEFITS FOR HOUSE OF REPRESENTATIVES ELECTION CAMPAIGNS!!

!!"SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.!!

"(a) IN GENERAL.--For purposes of this title, a candidate is an eligible House of Representatives candidate if the Commission has certified, pursuant to section 504, that the candidate--

"(1) meets the election cycle filing requirements of subsection (b); and

"(2) meets the threshold contribution requirements of subsection (c).

"(b) FILING REQUIREMENTS.--

"(1) IN GENERAL.--The requirements of this subsection are met if the candidate files with the Commission under penalty of perjury a declaration that--

"(A) the candidate and the candidate's authorized committees--

"(i) will not exceed the expenditure limits under section 502(a), (b), and (c);

"(ii) will not accept contributions in excess of the election cycle expenditure limit, reduced by any amounts transferred to this election cycle from a preceding election cycle;

"(iii) will not, in the event of a runoff election,

accept contributions in excess of the runoff expenditure

limit, reduced by any amounts transferred to this election cycle from a preceding election cycle; and

"(iv) will not accept any contributions in violation of section 315; and

"(B) the candidate intends to make use of the benefits

provided under section 503.

"(2) DEADLINE FOR FILING DECLARATION.--The declaration under paragraph (1) shall be filed the date the candidate files

as a candidate for the primary election. In the case of a candidate who is not eligible to participate in a primary election but qualifies for the general election ballot under State law, the declaration under paragraph (1) shall be filed not later than the date the candidate qualifies for the general

election ballot under State law."

"(3) NOTIFICATION.--A candidate who--

(b) (1) "(A) files a declaration pursuant to subsection of this Act; and

"(B) subsequently acts in a manner inconsistent with any of the limitations or requirements of the declaration filed under subsection (b)(1) shall file a notification regarding such acts with the Commission not later than 24 hours after the first such act inconsistent with any of

the limitations or requirements and shall at the same time notify all other candidates for the same office by sending a

copy of the notification filed with the Commission by certified mail, return receipt requested.

"(c) THRESHOLD CONTRIBUTION REQUIREMENTS.--

"(1) IN GENERAL.--The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount equal to 10 percent of the election cycle expenditure limit under section 502(b), and file with the Commission under penalty of perjury a statement with supporting materials demonstrating that this requirement has been met.

"(2) DEFINITIONS.--For purposes of this Act--

"(A) the term 'allowable contributions' means contributions that are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor, except that such term shall not include contributions from individuals residing outside the candidate's State to the extent such contributions exceed 40 percent of the amount set forth in paragraph

(1), provided that--

"(i) no more than \$200 of any contribution from an individual shall be taken in account; "(ii) at least 50 percent of the amount required to be raised in the candidate's State comes from contributions from individuals residing in the congressional district of such candidate; and "(iii) such term shall not include any

contribution within the meaning of section 315(a)(8), as amended by section 231; and

"(B) the term 'applicable period' means--

"(i) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on the date of the general election; or "(ii) in the case of a special election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election.

!!"SEC. 502. LIMITATION ON EXPENDITURES.!!

"(a) LIMITATION ON USE OF PERSONAL FUNDS.--

"(1) IN GENERAL.--The aggregate amount of expenditures

that

may be made during an election cycle by an eligible House of Representatives candidate or such candidate's authorized committees from the sources described in paragraph (2) shall not exceed 10 percent of the election cycle expenditure limit under subsection (b).

"(2) SOURCES.--A source is described in this subsection if it is--

"(A) personal funds of the candidate and members of the candidate's immediate family; or

"(B) personal loans incurred by the candidate and members of the candidate's immediate family.

"(b) ELECTION CYCLE EXPENDITURE LIMIT.--

"(1) IN GENERAL.--Except as otherwise provided in this title, the aggregate amount of expenditures for an election cycle by an eligible House of Representatives candidate and the candidate's authorized committees shall not exceed \$600,000.

"(2) INDEXING.--The amount under paragraph (1) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1996.

"(c) RUNOFF EXPENDITURE LIMITS.--The aggregate amount of expenditures for a runoff election by an eligible House of Representatives candidate and the candidate's authorized committees shall not exceed 20 percent of the election cycle expenditure limit under subsection (b).

"(d) PAYMENT OF TAXES.--The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local taxes with respect to earnings on contributions raised.

"(e) CONTESTED PRIMARY.--If, as determined by the Commission, an eligible House of Representatives candidate in a contested primary wins that primary election by a margin of 10 percent or less, the limitation contained in subsection (b)(1) shall be increased by 30 percent for such candidate, and such candidate shall be entitled to raise additional contributions not to exceed this amount.

"(f) COMPLYING CANDIDATES RUNNING AGAINST NONCOMPLYING CANDIDATES.--

"(1) If in the case of an election with more than one

candidate where any candidate either--

by "(A) fails to be certified as an eligible candidate  
of the Commission and has expended personal funds in excess  
of 10 percent of the election cycle limits contained in  
of subsection (b) or has received contributions or expended  
personal funds which in the aggregate exceed 70 percent  
of the election cycle limits contained in subsection (b), or  
that "(B) violates the limitations on expenditures of this  
Act, any eligible House of Representatives candidate in  
election shall be permitted to raise additional  
contributions up to an amount equal to 50 percent of the  
election cycle limit contained in subsection (b).

an "(2) If the candidate who has failed to be certified as  
eligible candidate or who has violated the limitations on  
expenditures of this Act has received contributions or  
expended personal funds which, in the aggregate, exceed 120 percent of  
the election cycle limits contained in this section, any  
eligible House of Representatives candidate in that election  
shall be permitted to raise additional contributions up to an  
amount equal to 100 percent of the election cycle limit  
contained in subsection (b).

equal "(3) In the event a noncomplying candidate as defined in  
subparagraphs (A) or (B) of paragraph (1) spends an amount  
to 105 percent of the election cycle limit contained in  
subsection (b), the election cycle limit contained in  
subsection (b) for an eligible House of Representatives candidate in  
such election shall be increased by 50 percent. In the event a  
noncomplying candidate spends an amount equal to 155 percent  
of the election cycle limit contained in subsection (b), the  
election cycle limit in subsection (b) for an eligible House  
of Representatives candidate in such election shall be increased  
by 100 percent.

"(g) RESPONDING TO INDEPENDENT EXPENDITURES.--In the event an  
eligible House of Representatives candidate is notified pursuant  
to section 304(c)(4) by the Commission that independent expenditures  
totaling in the aggregate \$25,000 or more have been made in the  
same election in favor of another candidate or against such eligible  
candidate, such eligible candidate shall be permitted to spend an  
amount equal to the amount of such independent expenditures,

without

such expenditures being subject to such eligible candidates's election cycle expenditure limit in subsection (b), as may be modified by subsection (c), (e), or (f).

!!"SEC. 503. BENEFITS ELIGIBLE CANDIDATES ENTITLED TO RECEIVE.!!

"For any election in which an eligible House of Representatives candidate has at least one opponent who has qualified for the ballot and who has raised in contributions or expended in personal funds an amount equal to 10 percent of the election cycle limit in section 502(b), such eligible candidate shall be entitled to receive--

"(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934; and

"(2) the reduced postage rates provided in section 3626(e) of title 30, United States Code.

!!"SEC. 504. CERTIFICATION BY COMMISSION.!!

"(a) IN GENERAL.--The Commission shall determine whether a candidate has met the requirements of this title and, based upon that determination, shall issue a certification stating whether or not such candidate is eligible to receive benefits under this title.

"(b) CERTIFICATION.--Upon receipt of the declaration required under section 501(b) and the statement required under section 501(c), and such other information as the Commission may by regulation require, the Commission shall determine if such candidate meets the eligibility requirements in section 501 and, if so, shall certify the candidate's eligibility for the benefits referred to in section 503. The Commission shall revoke such certification if, based on relevant information submitted in such form and manner as the Commission may require or based on relevant information that otherwise comes to its attention, it determines a candidate fails to continue to meet any of the requirements of this title, including the limitations on expenditures set forth in section 502(a), (b) and (c).

"(c) DETERMINATION BY COMMISSION.--All determinations (including certifications under this section) made by the Commission under this title shall be final, except to the extent that they are

subject to examination and audit by the Commission under section 505 and subject to judicial review.

!!"SEC. 505. REPAYMENTS; ADDITIONAL CIVIL PENALTIES.!!

"(a) MISUSE OF BENEFITS.--If the Commission determines that any benefit made available to an eligible House of Representatives candidate under this title was not used as provided for in this title, or that an eligible candidate has violated any of the spending limits contained in this Act or otherwise revokes the certification of a candidate as an eligible House of Representatives candidate, the Commission shall so notify the candidate and the candidate shall pay to the provider of such benefits received an amount equal to the value of the benefits received under this title.

"(b) CIVIL PENALTIES.--

"(1) LOW AMOUNT OF EXCESS EXPENDITURES.--Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under this title by 2.5 percent or less shall pay to the Commission an amount equal to the amount of the excess expenditures.

"(2) MEDIUM AMOUNT OF EXCESS EXPENDITURES.--Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under this title by more than 2.5 percent and less than 5 percent shall pay to the Commission an amount equal to 3 times the amount of the excess expenditures.

"(3) LARGE AMOUNT OF EXCESS EXPENDITURES.--Any eligible House of Representatives candidate who makes expenditures that exceed a limitation under this title by 5 percent or more shall pay to the Commission an amount equal to 3 times the amount of the excess expenditures plus a civil penalty to be imposed pursuant to the procedures of section 309 of this Act (2 U.S.C. 437(g)).".

!!SEC. 102. BROADCAST RATES AND PREEMPTION.!!

(a) BROADCAST RATES.--Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended--  
(1) by striking "(b) The charges" and inserting "(b) (1) The charges";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;  
(3) in paragraph (1)(A), as redesignated--  
(A) by striking "forty-five" and inserting "30"; and  
(B) by striking "lowest unit charge of the station

for

the same class and amount of time for the same period"

and

inserting "lowest charge of the station for the same

amount

of time for the same period on the same date"; and

(4) by adding at the end the following new paragraph:

"(2) In the case of an eligible House of Representatives candidate (as described in section 501(a) of the Federal Election Campaign Act of 1971), the charges for the use of a television or radio broadcasting station during the 30-day period and 60-day period referred to in paragraph (1)(A) shall not exceed 50 percent of the lowest charge described in paragraph (1)(A)."

(b) PREEMPTION; ACCESS.--Section 315 of such Act (47 U.S.C. 315) is amended--

(1) by redesignating subsections (c) and (d) as subsections

(d) and (e), respectively; and

(2) by inserting immediately after subsection (b) the following subsection:

"(c)(1) Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1)(A), of a broadcasting station by an eligible House of Representatives candidate who has purchased and paid for such use pursuant to subsection (b)(2).

"(2) If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted."

(c) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.--Section 312(a)(7) of the Communications Act of 1934 (47 U.S.C. 312(a)(7)) is amended--

(1) by striking "or repeated";

(2) by inserting "or cable system" after "broadcasting station"; and

(3) by striking "his candidacy" and inserting "the candidacy of such person, under the same terms, conditions,

and

business practices as apply to its most favored advertiser".

(d) JURISDICTION OVER TAKINGS CHALLENGE TO BROADCAST RATES.--

The United States Court of Federal Claims shall have exclusive jurisdiction over any action challenging the constitutionality of the broadcast media rates required to be offered to political candidates under section 503(1) of the Federal Election Campaign Act of 1971 and section 315(b) of the Communications Act of 1934. Money damages shall be the sole and exclusive remedy in such cases, and only individuals or entities suffering actual financial injury shall have standing to maintain such an action.

(e) CONDITION OF RENEWAL OR NEW LICENSE.--Section 307 of the Communications Act of 1934 is amended by adding the following:  
"The continuation of an existing license, the renewal of an expiring license, and the issuance of a new license shall be expressly conditioned on the agreement by the licensee to abide by the provisions of section 503(1) of the Federal Election Campaign Act of 1971 and section 315(b) of this Act. The Commission shall take such action as it deems appropriate to assure compliance with this requirement."

(f) REGULATIONS.--The Commission, in consultation with the Federal Communications Commission, shall issue regulations to modify the requirements of this section in any cases where a licensee establishes that such requirements would impose significant economic hardship.

(g) EFFECTIVE DATE.--The amendments made by this section shall apply to the general elections occurring after December 31, 1996 (and the election cycles relating thereto).

**!!SEC. 103. REDUCED POSTAGE RATES!!**

(a) IN GENERAL.--Section 3626(e) of title 39, United States Code, is amended--

(1) in paragraph (2)--

(A) in subparagraph (A)--

(i) by striking "and the National" and inserting "the National"; and

(ii) by inserting before the semicolon the following: ", and, subject to paragraph (3), the principal campaign committee of an eligible House of Representatives candidate;";

(B) in subparagraph (B), by striking "and" after the semicolon;

(C) in subparagraph (C), by striking the period and inserting a semicolon; and

(D) by adding after subparagraph (C) the following new

subparagraphs:

"(D) the term 'principal campaign committee' has the meaning given such term in section 301 of the Federal Election

Campaign Act of 1971; and

"(E) the term 'eligible House of Representatives candidate'

has the meaning given such term in section 501(a) of the Federal

Election Campaign Act of 1971."; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) The rate made available under this subsection with respect to an eligible House of Representatives candidate shall apply only to that number of pieces of mail equal to 3 times the number of individuals in the voting age population (as certified under section 315(e) of such Act) of the congressional district."

(b) EFFECTIVE DATE.--The amendments made by this section shall apply to the general elections occurring after December 31, 1996 (and the election cycles relating thereto).

**!!SEC. 104. CONTRIBUTION LIMIT FOR ELIGIBLE HOUSE OF REPRESENTATIVES CANDIDATES.!!**

Section 315(a)(1) of the Federal Election Campaign Act of 1971

(2 U.S.C. 441a(a)(1)) is amended--

(1) by inserting "except as provided in subparagraph (B),"

before "to" in subparagraph (A);

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(3) by inserting immediately after subparagraph (A) the following new subparagraph:

"(B) to any eligible House of Representatives candidate

and the authorized political committees of such candidate with respect to any election for the office of Representative in, or Delegate or Resident Commissioner

to, the Congress, which, in the aggregate, exceed \$2,000, provided that such candidate is in a general election

where

one or more candidates either:

"(i) fail to be certified as an eligible candidate

by the Commission and have received contributions or expended personal funds, which in the aggregate, are  
in excess of 50 percent, or have expended personal funds  
in excess of 25 percent, of the election cycle limits contained in section 502(b); or  
"(ii) violate the limitations on expenditures contained in this Act."

!!SEC. 105. REPORTING REQUIREMENTS!!

(a) Any candidate for the House of Representatives who during the election cycle expends more than the limitation under section 502(a) during the election cycle from his personal funds, the funds of his immediate family, and personal loans incurred by the candidate and the candidate's immediate family shall report such expenditures to the Commission within 48 hours after such expenditures have been made or loans incurred. An additional report shall be filed within 48 hours of the date such candidate makes expenditures of such personal funds aggregating 25 percent of the election cycle limit under section 502(b).

(b) Any candidate for the House of Representatives who has failed to be certified as an eligible candidate by the Commission and who during the election cycle has received contributions or expended personal funds which, in the aggregate, exceed 50 percent of the election cycle limits contained in section 502(b), shall file a report with the Commission within 48 hours after such contributions have been received or such expenditures have been made. Additional reports shall be filed within 48 hours after such candidate has received contributions or expended personal funds which, in the aggregate, exceed 70 percent and 120 percent of the election cycle limit. Additional reports shall be filed within 48 hours after the candidate spends an amount equal to 105 percent and 155 percent of the election cycle limit contained in section 502(b).

(c) The Commission within 48 hours after any report has been filed under subsections (a) and (b) shall notify each eligible House of Representatives candidate in the election about each such report.

(d) If any act which requires the filing of any report under subsection (a) or (b) occurs after the 20th day, but more than 24 hours before an election, such report shall be filed by the candidate within 24 hours of the occurrence of such act. For any

such report filed pursuant to this subsection, the Commission shall notify the appropriate eligible House of Representatives candidate within 24 hours after the filing of such report.

!!TITLE II--REDUCTION OF SPECIAL INTEREST INFLUENCE!!

!!SUBTITLE A--ELIMINATION OF POLITICAL ACTION COMMITTEES FROM FEDERAL ELECTION ACTIVITIES!!

!!SEC. 201. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.!!

(a) IN GENERAL.--Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 324. Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office."

(b) DEFINITION OF POLITICAL COMMITTEE.--(1) Section 301(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means--

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof;

"(C) any local committee of a political party that--

"(i) receives contributions aggregating in excess of \$5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of \$5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of \$1,000 during a calendar

year;

and

"(D) any committee jointly established by a principal campaign committee and any committee described in

joint subparagraph (B) or (C) for the purpose of conducting fundraising activities."

(2) Section 316(b)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended--

- (A) by inserting "or" after "subject;"
- (B) by striking "and their families; and" and inserting "and their families."; and
- (C) by striking subparagraph (C).

(c) PROHIBITION OF LEADERSHIP COMMITTEES.--Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended--

(1) by amending paragraph (3) to read as follows:

"(3) No political committee that supports or has supported more than one candidate may be designated as an authorized committee, except that--

"(A) a candidate for the office of President nominated by a

political party may designate the national committee of such political party as the candidate's principal campaign committee,

but only if that national committee maintains separate books of

account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such

candidates as an authorized committee."; and

(2) by adding at the end the following new paragraph:

"(6)(A) A candidate for Federal office or any individual holding Federal office may not directly or indirectly establish, finance, maintain, or control any Federal or non-Federal political

committee other than a principal campaign committee of the candidate, authorized committee, party committee, or other political committee

designated in accordance with paragraph (3). A candidate for more than one Federal office may designate a separate principal campaign

committee for each Federal office. This paragraph shall not preclude

a Federal officeholder who is a candidate for State or local office

from establishing, financing, maintaining, or controlling a political committee for election of the individual to such State or

local office.

"(B) For one year after the effective date of this paragraph, any political committee established before such date but which is prohibited under subparagraph (A) 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 that is not established, maintained, financed, or controlled directly or indirectly by any candidate for Federal office or any individual holding Federal office; 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 candidates for elective office."

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.--For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date in which the limitation under section 324 of that Act (as added by subsection (a)) is not in effect--

(1) the amendments made by subsections (a) and (b), shall not be in effect;

(2) it shall be unlawful for a multicandidate political committee to make a contribution to a candidate for election,

or

nomination for election, to Federal office (or to an authorized

committee of such candidate) to the extent that the making or accepting of the contribution will cause the amount of contributions in aggregate received by the candidate and the candidate's authorized committees from multicandidate

political

committees to exceed an amount equal to 25 percent of the election cycle spending limits set forth in section 502(b),

as

may be modified by section 502(c), (e) and (f), regardless of whether the candidate is an eligible House of Representatives candidate; and

(3) notwithstanding any other provision of this Act, it shall be unlawful for a multicandidate political committee to make any contribution to a candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed the amount that an individual is allowed to contribute directly to such candidate

or to such candidate's authorized committees.

(e) EXCESS CONTRIBUTIONS.--A candidate (or authorized committees of such candidate) who receives a contribution from a

multicandidate political committee in excess of the amount allowed under subsection (d)(1) shall return the amount of such excess contribution to the contributor.

(f) REPEAL OF MULTICANDIDATE CONTRIBUTION LIMIT.--Section 315(a)(2)(A) (2 U.S.C. 441a(a)(2)(A)) is hereby repealed: //Provided\\ , That any of the provisions in subsections (a), (b), and (d) are in effect.

**!!SEC. 202. AGGREGATE LIMIT ON LARGE CONTRIBUTIONS.!!**

(a) 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:

"SEC. 327. (a) For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date of this Act, it shall be unlawful for a candidate for election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress (or the authorized committees of such candidate) to accept any contribution from an individual in excess of \$250 to the extent that the acceptance of such contribution will cause the aggregate amount of contributions from individuals in excess of \$250 received by the candidate and the candidate's authorized committees to exceed an amount equal to 25 percent of the election cycle spending limits set forth in section 502(b), as may be modified by section 502(c), (e), or (f), regardless of whether the candidate is an eligible House of Representatives candidate.

"(b) The restrictions of subsection (a) shall not apply to an eligible House of Representatives candidate if such candidate is entitled to the contribution limit provided in section 104."

(b) For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date in which the limitations of section 327 (as added by subsection (a)) are not in effect, a new clause (vi) shall be inserted in section 501(b)(1) as follows:

"(vi) will not accept any contributions from an individual in excess of \$250 to the extent that the acceptance of such contribution will cause the

aggregate

amount of contributions from individuals in excess of \$250 received by the candidate and the candidate's authorized committees to exceed an amount equal to 25 percent of the election cycle spending limits set

forth

in section 502(b), as may be modified by section

502(c),

(e), or (f): //Provided, however, That this clause

shall

not apply to an eligible House of Representatives candidate if such candidate is entitled to the contribution limit provided in section 104.".\

**!!SEC. 203. CONTRIBUTIONS BY LOBBYISTS!!**

Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended by adding at the end the following new subsection:

"(9) Notwithstanding 2 U.S.C. 441a(a)(1)(A), any person required to register under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267) or the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.) or any person whose activities are required to be reported pursuant to any successor Federal law which requires reporting on the activities of a person who is a lobbyist or foreign agent, or any political committee controlled by such person, shall not make contributions to, or solicit contributions for, any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$100."

**!!SUBTITLE B--PROVISIONS RELATING TO SOFT MONEY OF POLITICAL PARTIES!!**

**!!SEC. 211. SOFT MONEY OF POLITICAL PARTIES!!**

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:

**"SOFT MONEY OF POLITICAL PARTIES**

"SEC. 325. (a) A national committee of a political party, including the national congressional campaign committees of a political party, and any officers or agents of such party committees, shall not solicit or receive any contributions, donations, or

transfers of funds, or spend any funds, not subject to the limitations, prohibitions, and reporting requirements of this Act.

This subsection shall apply to any entity that is established, financed, maintained, or controlled by a national committee of a political party, including the national congressional campaign committees of a political party, and any officers or agents of such party committees.

"(b)(1) Any amount expended or disbursed by a State, district, or local committee of a political party, during a calendar year in which a Federal election is held, for any activity which might affect the outcome of a Federal election, including but not limited to any voter registration and get-out-the-vote activity, any generic campaign activity, and any communication that identifies a Federal candidate (regardless of whether a State or local candidate is also mentioned or identified) shall be made from funds subject to the limitations, prohibitions and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to expenditures or disbursements made by a State, district or local committee of a political party for--

"(A) a contribution to a candidate other than for Federal office, provided that such contribution is not designated or otherwise earmarked to pay for activities described in paragraph

(1);

"(B) the costs of a State or district/local political convention;

"(C) the non-Federal share of a State, district or local party committee's administrative and overhead expenses (but not

including the compensation in any month of any individual who spends more than 20 percent of his or her time on activity during such month which may affect the outcome of a Federal election). For purposes of this provision, the non-Federal share

of a party committee's administrative and overhead expenses shall be determined by applying the ratio of the non-Federal disbursements to the total Federal expenditures and non-Federal

disbursements made by the committee during the previous presidential election year to the committee's administrative and

overhead expenses in the election year in question;

including "(D) the costs of grassroots campaign materials,

buttons, bumper stickers, and yard signs, which materials solely

name or depict a State or local candidate; or

"(E) the cost of any campaign activity conducted solely on

behalf of a clearly identified State or local candidate, provided that such activity is not a get out the vote activity

or any other activity covered by paragraph (1).

"(3) Any amount spent by a national, State, district or local committee or entity of a political party to raise funds that are used, in whole or in part, to pay the costs of any activity covered

by paragraph (1) shall be made from funds subject to the limitations,

prohibitions, and reporting requirements of this Act. This paragraph

shall apply to any entity that is established, financed, maintained,

or controlled by a State, district or local committee of a political

party or any agent or officer of such party committee in the same manner as it applies to that committee.

"(c) No national, State, district or local committee of a political party shall solicit any funds for or make any donations to

any organization that is exempt from Federal taxation under section

501(c) of the Internal Revenue Code of 1986.

"(d)(1) No candidate for Federal office, individual holding Federal office, or any agent of such candidate or officeholder, may

solicit or receive (A) any funds in connection with any Federal election unless such funds are subject to the limitations, prohibitions and reporting requirements of this Act; (B) any funds

that are to be expended in connection with any election for other than a Federal election unless such funds are not in excess of the

amounts permitted with respect to contributions to Federal candidates and political committees under section 315(a)(1) and (2),

and are not from sources prohibited from making contributions by this Act with respect to election for Federal office. This paragraph

shall not apply to the solicitation or receipt of funds by an individual who is a candidate for a non-Federal office if such activity is permitted under State law for such individual's non-Federal campaign committee.

"(2)(A) No candidate for Federal office or individual holding

Federal office may directly or indirectly establish, maintain, finance or control any organization described in section 501(c) of the Internal Revenue Code of 1986 if such organization raises funds from the public.

"(B) No candidate for Federal office or individual holding Federal office may raise funds for any organization described in section 501(c) of the Internal Revenue Code of 1986 if the activities of the organization include voter registration or get-out-the-vote campaigns.

"(C) For purposes of this paragraph, an individual shall be treated as holding Federal office if such individual--

"(i) holds a Federal office; or

"(ii) holds a position described in level I of the Executive Schedule under 5312 of title 5, United States Code."

!!SEC. 212. REPORTING REQUIREMENTS!!

(a) 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 subsection:

"(d) POLITICAL COMMITTEES.--(1) A political committee other than a national committee of a political party, any congressional campaign committee of a political party, and any subordinate committee of either, to which section 325(b)(1) applies shall report all receipts and disbursements.

"(2) Any political committee other than the committees of a political party shall report any receipts or disbursements that are used in connection with a Federal election.

"(3) If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of \$200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in subsection (b)(3)(A), (5), or (6).

"(4) Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a)."

(b) REPORTS BY STATE COMMITTEES.--Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by subsection (a), is further amended by adding at the end the following new subsection:

"(e) FILING OF STATE REPORTS.--In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information."

(c) OTHER REPORTING REQUIREMENTS.--

(1) AUTHORIZED COMMITTEES.--Section 304(b)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended--

- (A) by striking "and" at the end of subparagraph (H);
- (B) by inserting "and" at the end of subparagraph

(I);

and

(C) by adding at the end the following new subparagraph:

"(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;"

(2) NAMES AND ADDRESSES.--Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended--

- (A) by striking "within the calendar year"; and
- (B) by inserting ", and the election to which the operating expenditure relates" after "operating expenditure".

**!!SEC. 213. BUILDING FUND EXCEPTION TO THE DEFINITION OF THE TERM "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 clause (viii); and
- (2) by redesignating clauses (ix) through (xiv) as clauses (viii) through (xiii), respectively.

**!!SUBTITLE C--SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES!!**

**!!SEC. 221. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES!!**

Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), as amended by section 212(a) and (c), is further amended by adding at the end the following new subsection:

"(f) ELECTION ACTIVITY OF PERSONS OTHER THAN POLITICAL PARTIES.-

(1)(A)(i) If any person to which section 325 does not apply makes (or obligates to make) disbursements for activities described in section 325(b)(1) in excess of \$2,000, such person shall file a statement--

"(I) within 48 hours after the disbursements (or obligations) are made; or

"(II) in the case of disbursements (or obligations) that are required to be made within 20 days of the election, within 24 hours after such disbursement (or obligations) are made.

"(ii) An additional statement shall be filed each time additional disbursements aggregating \$2,000 are made (or obligated to be made) by a person described in clause (i).

"(B) This paragraph shall not apply to--

"(i) a candidate or a candidate's authorized committees; or

"(ii) an independent expenditure (as defined in section 301(17)).

"(2) Any statement under this section shall be filed with the Commission and shall contain such information as the Commission shall prescribe, including whether the disbursement is in support of, or in opposition to, 1 or more candidates or any political party."

**!!SUBTITLE D--CONTRIBUTIONS!!**

**!!SEC. 231. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS!!**

Section 315(a)(8) of the Federal Election Campaign Act of 1971

(2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For the purposes of this subsection:

"(A) Contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to a candidate, shall be treated as contributions from the person to the candidate. If a contribution is made to a candidate through an intermediary or conduit, the intermediary or

conduit shall report the original source and the intended recipient of the contribution to the Commission and the intended recipient.

"(B) Contributions made directly or indirectly by a person to or on behalf of a particular candidate through an intermediary or conduit, including contributions arranged to be made by an intermediary or conduit, shall be treated as contributions from the intermediary or conduit to the candidate if--

"(i) the contributions made through the intermediary or conduit are in the form of a check or other negotiable instrument made payable to the intermediary or conduit rather than the intended recipient; or

"(ii) the intermediary or conduit is--

party, "(I) a political committee, a political or an officer, employee, or agent of either;

to "(II) a person whose activities are required

U.S.C. be reported under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267), the Foreign Agents Registration Act of 1938 (22

611 et seq.), or a person whose activities are required to be reported pursuant to any successor Federal law which requires reporting on the activities of person who is a lobbyist or foreign agent;

or "(III) a person who is prohibited from making contributions under section 316 or a partnership;

acting "(IV) an officer, employee, or agent of a person described in subclause (II) or (III)

on behalf of such person.

"(C) The term 'contributions arranged to be made' includes--

candidate's "(i)(I) contributions delivered directly or indirectly to a particular candidate or the

authorized committee or agent by the person who facilitated the contribution; and

to "(II) contributions made directly or indirectly

a particular candidate or the candidate's authorized committee or agent that are provided at an event sponsored by an intermediary or conduit described in subparagraph (B).

"(ii) The term 'acting on behalf of such person' includes the following activities by an officer,

employee, or agent of a person described in  
subparagraph

(B)(ii) (II) or (III):

"(I) Soliciting the making of a contribution  
to

a particular candidate in the name of such a  
person;

"(II) Soliciting the making of a contribution  
to a particular candidate using other than  
incidental resources of such a person; and

"(III) Soliciting contributions for a  
particular candidate by directing a significant  
portion of the solicitations to other officers,  
employees, or agents of such a person.

"(D) This subsection shall not prohibit--

"(i) fundraising efforts for the benefit of a  
candidate that are conducted by another candidate or  
Federal officeholder; or

"(ii) the solicitation by an individual using the  
individual's resources and acting in the individual's  
own name of contributions from other persons in a

manner

not described in subparagraphs (B) and (C)."

!!SUBTITLE E--ADDITIONAL PROHIBITIONS ON  
CONTRIBUTIONS!!

!!SEC. 241. ALLOWABLE CONTRIBUTIONS FOR CANDIDATES.!!

(a) IN STATE REQUIREMENT.--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:

"SEC. 326. With regard to any candidate for election for the  
office of Representative in, or Delegate or Resident Commissioner  
to,  
the Congress, by the end of the election cycle not less than 60  
percent of the total dollar amount of all contributions from  
individuals to a candidate or a candidate's authorized  
committees,  
not including any expenditures, contributions or loans made by  
the  
candidate, shall come from individuals legally residing in the  
candidate's State."

(b) RULES APPLICABLE WHEN IN STATE REQUIREMENT NOT IN  
EFFECT.--

For purposes of the Federal Election Campaign Act of 1971, during  
any period beginning after the effective date on which the  
requirement of section 326 of the Act (as added by subsection

(a))

is not in effect, a new clause (v) shall be inserted in section  
501(b)(1) as follows:

"(v) will comply with the requirement that, by the end of the election cycle, not less than 60 percent of the total dollar amount of all contributions from individuals to a candidate or a candidate's authorized committees, including any expenditures, contributions, or loans made by a candidate shall come from individuals legally residing in the candidate's State."

!!SUBTITLE F--INDEPENDENT EXPENDITURES!!

!!SEC. 251. PROVISIONS RELATING TO INDEPENDENT EXPENDITURES!!

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.--Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking out paragraphs (17) and (18) and inserting in lieu thereof the following:

"(17)(A) The term 'independent expenditure' means an expenditure that--  
    "(i) contains express advocacy; and  
    "(ii) is made without the participation or cooperation of, or without the consultation of, a candidate or a candidate's representative.

"(B) The following shall not be considered an independent expenditure:

    "(i) An expenditure made by--  
        "(I) an authorized committee of a candidate for Federal office, or  
        "(II) a political committee of a political party.  
    "(ii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.  
    "(iii) An expenditure if, in the same election cycle, the person making the expenditure is or has been--  
        "(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees;  
or  
        "(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.  
    "(iv) An expenditure if the person making the expenditure has advised or counseled the candidate or the candidate's agents at any time on the candidate's plans, projects, or needs

relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office.

"(v) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing services in the same election cycle to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate's decision to seek Federal office. For purposes of this clause, the term 'professional services' shall include any services (other than legal and accounting services solely for purposes of ensuring compliance with any Federal law) in support of any candidate's or candidates' pursuit of nomination for election, or election, to Federal office.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person.

"(18) (A) The term 'express advocacy' means, when a communication is taken as a whole and with limited reference to external events, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party.

"(B) The term 'expression of support for or opposition to' includes a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity, or to refrain from taking action."

(b) CONTRIBUTION DEFINITION 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), by striking out "or" after the semicolon

at the end;

(2) in clause (ii), by striking out the period at the end and inserting in lieu thereof "; or"; and

(3) by adding at the end the following new clause:

"(iii) any payment or other transaction referred to in paragraph (17)(A)(i) that is not an independent expenditure under paragraph (17)."

!!SEC. 252. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT

EXPENDITURES.!!

Section 304(c) of the Federal Election Campaign Act of 1971  
(2  
U.S.C. 434(c)) is amended--  
    (1) in paragraph (2), by striking the undesignated matter  
    after subparagraph (C);  
    (2) by redesignating paragraph (3) as paragraph (7); and  
    (3) by inserting after paragraph (2), as amended by  
    paragraph (1), the following new paragraphs:  
    "(3)(A) Any person (including a political committee)  
making  
    independent expenditures as defined in section 301(17) and  
(18)  
    with respect to a candidate in an election aggregating \$1,000  
or  
    more made after the 20th day, but more than 24 hours, before  
the  
    election shall file a report within 24 hours after such  
    independent expenditures are made. An additional report shall  
be  
    filed each time independent expenditures aggregating \$1,000  
are  
    made with respect to the same candidate after the latest  
report  
    filed under this subparagraph.  
    "(B) Any person (including a political committee) making  
    independent expenditures with respect to a candidate in an  
and  
    election aggregating \$10,000 or more made at any time up to  
report  
    including the 20th day before the election shall file a  
    within 48 hours after such independent expenditures are made.  
An  
    additional report shall be filed each time independent  
    expenditures aggregating \$10,000 are made with respect to the  
    same candidate after the latest report filed under this  
    paragraph.  
filed  
    "(C) A report under subparagraph (A) or (B) shall be  
    with the Commission and shall identify each candidate whom  
the  
    expenditure is actually intended to support or to oppose. Not  
    later than 2 business days after the Commission receives a  
    report, the Commission shall transmit a copy of the report to  
    each candidate seeking nomination or election to that office.  
    "(D) For purposes of this section, an independent  
    expenditure shall be considered to have been made upon the  
    making of any payment or the taking of any action to incur an  
    obligation for payment.  
    "(4) The Commission may, upon a request of a candidate or  
on its own initiative, make its own determination that a  
person,  
    including a political committee, has made, or has incurred

obligations to make, independent expenditures with respect to any candidate in any election which in the aggregate exceed the applicable amounts under paragraph (3). The Commission shall notify each candidate in such election of such determination made within 2 business days after making it. Any determination made at the request of a candidate shall be made within 48 hours of the request.

"(5) In the event that independent expenditures totaling in the aggregate \$25,000 have been made in the same election in favor of another candidate or against an eligible House of Representatives candidate, the Commission shall, within 2 business days, notify the eligible candidate that such candidate is entitled under section 502(g) to raise additional contributions equaling the amount of such independent expenditures. At such time as the aggregate amount the independent expenditures referred to in the preceding sentence, combined with the expenditures of all other candidates in such election equals 100 percent of the election cycle limit set forth in section 502(b), the Commission shall, within 2 business days, notify the eligible candidate that such candidate is entitled under section 502(g) to make the expenditures provided for in section 502(g).

"(6) (A) A person who reserves broadcast time the payment for which would constitute an independent expenditure within the meaning of section 301(17) of this Act (2 U.S.C. 431(17)), shall at the time of the reservation--

"(i) inform the broadcast licensee that payment for the broadcast time will constitute an independent expenditure;

"(ii) inform the broadcast licensee of the names of all candidates for the office to which the proposed broadcast relates and state whether the message to be broadcast is intended to be made in support of or in opposition to each such candidate; and

"(iii) provide the broadcast licensee a copy of the report described in paragraph (3).

"(B) For purposes of this paragraph, the term 'broadcast' includes any cablecast.

"(C) A licensee who is informed as described in subparagraph (A) shall--

"(i) notify each such candidate described in subparagraph (A)(ii) of the proposed making of the independent expenditure; and

"(ii) allow any such candidate (other than a candidate for whose benefit the independent expenditure is made) to purchase the same amount of broadcast time immediately after the broadcast time paid for by the independent expenditure, at the cost specified in section 315(b) of title 47, as amended by section 102 of this Act."

!!TITLE III--MISCELLANEOUS PROVISIONS !!

!!SEC. 301. RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES.!!

(a) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.--Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 211, is further amended by adding at the end the following new section:

"RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES

"SEC. 325. (a) An individual who receives contributions as a candidate for Federal office--

"(1) shall use such contributions only for legitimate and verifiable campaign expenses; and

"(2) shall not use such contributions for any inherently personal purpose.

"(b) As used in this subsection--

"(1) the term 'campaign expenses' means expenses attributable solely to bona fide campaign purposes; and

"(2) the term 'inherently personal purpose' means a purpose that, by its nature, confers a personal benefit, including a home mortgage, rent, or utility payment, clothing purchase, noncampaign automobile expense, country club membership, vacation, or trip of a noncampaign nature, household food items, tuition payments, admission to a sporting event, concert, theater, or other form of entertainment not associated with a campaign, dues, fees, or contributions to a health club or recreational facility, and any other inherently personal living expense as determined under the regulations promulgated pursuant to section 301(b) of the Bipartisan Clean Congress Act of 1995."

(b) REGULATIONS.--Not later than 90 days after the date of enactment of this Act, the Federal Election Commission shall promulgate regulations consistent with this Act to implement subsection (a). Such regulations shall apply to all contributions possessed by an individual on the date of enactment of this Act.

!!SEC. 302. CAMPAIGN ADVERTISING AMENDMENTS.!!

Section 318 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441d) is amended--

(1) in subsection (a)--

(A) in the matter preceding paragraph (1)--

(i) by striking "Whenever" and inserting

"Whenever

a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, phone bank or any

other

type of general public political advertising, or whenever";

(ii) by striking "an expenditure" and inserting

"a

disbursement"; and

(iii) by striking "direct"; and

(B) in paragraph (3), by inserting "and permanent street address" after "name"; and

(2) by adding at the end the following new subsections:

"(c) Any printed communication described in subsection (a) shall be--

"(1) of sufficient type size to be clearly readable by the

recipient of the communication;

"(2) contained in a printed box set apart from the other contents of the communication; and

"(3) consist of a reasonable degree of color contrast between the background and the printed statement.

"(d) (1) Any broadcast or cablecast communication described in subsection (a)(1) or subsection (a)(2) shall include, in addition to the requirements of those subsections, an audio statement by the candidate that identifies the candidate and states that the candidate is responsible for the content of the advertisement.

"(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement which--

"(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a

period  
of at least 4 seconds; and  
"(B) is accompanied by a clearly identifiable  
photographic  
or similar image of the candidate.

"(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement: 'XXXXXXXXX is responsible for the content of this advertisement.' (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds."

!!SEC. 303. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.!!

Section 302(g) of the Federal Election Campaign Act of 1971  
(2  
U.S.C. 432(g)) is amended by adding at the end the following new paragraph:

"(6) (A) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, may prescribe regulations under which persons required to file designations, statements, and reports under this Act--  
"(i) are required to maintain and file them for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and  
"(ii) may maintain and file them in that manner if not required to do so under regulations prescribed under clause (i).  
"(B) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations which allow persons to file designations,

statements, and reports required by this Act through the use of facsimile machines.

"(C) In prescribing regulations under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulations.

Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same

manner as a document verified by signature.

"(D) The Secretary of the Senate and the Clerk of the House of Representatives shall ensure that any computer or other system that they may develop and maintain to receive designations, statements, and reports in the forms required or permitted under this paragraph is compatible with any such system that the Commission may develop and maintain."

#### !!SEC. 304. AUDITS!!

(a) RANDOM AUDITS.--Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended--

- (1) by inserting "(1)" before "The Commission"; and
- (2) by adding at the end the following new paragraph:

"(2) Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process. This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under chapter 95 or 96 of the Internal Revenue Code of 1986."

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.--Section 311(b) of the Federal Election Campaign Act of 1971

(2 U.S.C. 438(b)) is amended by striking out "6 months" and inserting in lieu thereof "12 months".

#### !!SEC. 305. CHANGE IN CERTAIN REPORTING FROM A CALENDAR YEAR BASIS

#### TO AN ELECTION CYCLE BASIS!!

Paragraphs (2), (3), (4), (6), and (7) of section 304(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(2)-(7)) are

amended by inserting "(election cycle, in the case of an authorized committee of a candidate for Federal office)" after "calendar year" each place it appears.

**!!SEC. 306. DISCLOSURE OF PERSONAL AND CONSULTING SERVICES.!!**

(a) REPORTING BY POLITICAL COMMITTEES.--Section 304(b)(5)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by adding before the semicolon at the end the following:  
",  
except that if a person to whom an expenditure is made by a candidate or the candidate's authorized committees is merely providing personal or consulting services and is in turn making expenditures to other persons (not including its owners or employees) who provide goods or services to the candidate or the candidate's authorized committees, the name and address of such other person, together with the date, amount, and purpose of such expenditure shall also be disclosed".

(b) RECORDKEEPING AND REPORTING BY PERSONS TO WHOM EXPENDITURES ARE PASSED THROUGH.--Section 302 of the Federal Election Campaign Act of 1971 (2 U.S.C. 432) is amended by adding at the end the following new subsection:

"(j) The person described in section 304(b)(5)(A) who is providing personal or consulting services and who is in turn making expenditures to other persons (not including employees) for goods or services provided to a candidate shall maintain records of and shall provide to a political committee the information necessary to enable the political committee to report the information described in section 304(b)(5)(A)."

**!!SEC. 307. USE OF CANDIDATES' NAMES.!!**

Section 302(e)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)(4)) is amended to read as follows:

"(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

"(B) a political committee that is not an authorized committee shall not--

"(i) include the name of any candidate in its name,  
or

local  
to  
the  
been

"(ii) except in the case of a national, State, or party committee, use the name of any candidate in any activity on behalf of such committee in such a context as suggest that the committee is an authorized committee of candidate or that the use of the candidate's name has been authorized by the candidate."

!!SEC. 308. REPORTING REQUIREMENTS!!

(a) OPTION TO FILE MONTHLY REPORTS.--Section 304(a)(2) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(2)) is amended--

end:  
all  
20th  
as  
filing  
held,  
(A)(i),  
accordance

(1) in subparagraph (A) by striking "and" at the end;  
(2) in subparagraph (B) by striking the period at the end and inserting "; and"; and  
(3) by inserting the following new subparagraph at the end:  
"(C) in lieu of the reports required by subparagraphs (A) and (B), the treasurer may file monthly reports in calendar years, which shall be filed no later than the day after the last day of the month and shall be complete of the last day of the month, except that, in lieu of the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-primary election report and a pre-general election report shall be filed in accordance with subparagraph (A)(i), a post-general election report shall be filed in accordance with subparagraph (A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year."

(b) POLITICAL COMMITTEES.--Section 304(a)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(4)) is amended in subparagraph (A)(i) by inserting ", and except that if at any time during the election year a committee receives contributions in excess of \$100,000 or makes disbursements in excess of \$100,000, monthly reports on the 20th day of each month after the month in which that amount of contributions is first received or that amount of disbursements is first anticipated to be made during that year" before the semicolon.

(c) INCOMPLETE OR FALSE CONTRIBUTOR INFORMATION.--Section 302(i) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(i)) is amended--

(1) by inserting "(1)" after "(i)";

(2) by striking "submit" and inserting "report"; and

(3) by adding at the end the following new paragraph:

"(2) A treasurer shall be considered to have used best efforts under this section only if--

"(A) all written solicitations include a clear and conspicuous request for the contributor's identification

and

inform the contributor of the committee's obligation to report the identification in a statement prescribed by

the

Commission;

request "(B) the treasurer makes at least 1 additional

contribution for the contributor's identification for each

year received that aggregates in excess of \$200 per calendar

required and which does not contain all of the information

by this Act; and

"(C) the treasurer reports all information in the committee's possession regarding contributor identifications."

(d) WAIVER.--Section 304 of the Federal Election Campaign Act of 1971 (2 U.S.C. 434), is amended by adding at the end the following subsection:

"(g) WAIVER.--The Commission may relieve any category of political committees of the obligation to file 1 or more reports required by this section, or may change the due dates of such reports, if it determines that such action is consistent with the purposes of this Act. The Commission may waive requirements to file reports in accordance with this subsection through a rule of general applicability or, in a specific case, may waive or extend the due date of a report by notifying all political committees affected."

!!SEC. 309. SIMULTANEOUS REGISTRATION OF CANDIDATE AND CANDIDATE'S

PRINCIPAL CAMPAIGN COMMITTEE.!!

Section 303(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 433(a)) is amended in the first sentence by striking "no later than 10 days after designation" and inserting "on the date of its designation".

**!!SEC. 310. INDEPENDENT LITIGATION AUTHORITY!!**

Section 306(f) of the Federal Election Campaign Act of 1971

(2  
U.S.C. 437c(f)) is amended by striking paragraph (4) and  
inserting  
the following new paragraph:

"(4) (A) Notwithstanding the provisions of paragraph (2),  
or  
of any other provision of law, the Commission is authorized  
to  
appear on its own behalf in any action related to the  
exercise  
of its statutory duties or powers in any court as either a  
party  
or as amicus curiae, either--

"(i) by attorneys employed in its office, or  
"(ii) by counsel whom it may appoint, on a temporary  
basis as may be necessary for such purpose, without  
regard  
to the provisions of title 5, United States Code,  
governing

appointments in the competitive service, and whose  
compensation it may fix without regard to the provisions

of  
chapter 51 and subchapter III of chapter 53 of such  
title.

The compensation of counsel so appointed on a temporary  
basis shall be paid out of any funds otherwise available  
to

pay the compensation of employees of the Commission.

"(B) The authority granted under subparagraph (A)  
includes  
the power to appeal from, and petition the Supreme Court for  
certiorari to review, judgments or decrees entered with  
respect  
to actions in which the Commission appears pursuant to the  
authority provided in this section."

**!!SEC. 311. INSOLVENT POLITICAL COMMITTEES!!**

Section 303(d) of the Federal Election Campaign Act of 1971

(2  
U.S.C. 433(d)) is amended by adding at the end the following  
paragraph:

"(3) Proceedings by the Commission under paragraph (2)  
constitute the sole means, to the exclusion of proceeding  
under  
title 11, United States Code, by which a political committee  
that is determined by the Commission to be insolvent may  
compromise its debts, liquidate its assets, and terminate its  
existence."

**!!SEC. 312. REGULATIONS RELATING TO USE OF NON-FEDERAL MONEY!!**

Section 306 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c) is amended by adding at the end the following new subsection:

"(g) The Commission shall promulgate regulations to prohibit devices or arrangements which have the purpose or effect of undermining or evading the provisions of this Act restricting the use of non-Federal money to affect Federal elections."

!!SEC. 313. TERM LIMITS FOR FEDERAL ELECTION COMMISSION.!!

Section 306 of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(a)(2)(A)) is amended by striking "terms" and inserting in lieu thereof "no more than one term".

!!SEC. 314. AUTHORITY TO SEEK INJUNCTION.!!

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended--

(1) by adding at the end the following new paragraph:  
"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that--

violation "(i) there is a substantial likelihood that a

of this Act is occurring or is about to occur;

"(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

or "(iii) expeditious action will not cause undue harm

prejudice to the interests of others; and

proceedings "(iv) the public interest would be best served by the issuance of an injunction, the Commission may initiate a civil action for a temporary restraining order or a temporary injunction pending the outcome of the

described in paragraphs (1), (2), (3), and (4).

the "(B) An action under subparagraph (A) shall be brought in the United States district court for the district in which

defendant resides, transacts business, or may be found, or in which the violation is occurring, has occurred, or is about to

occur.";

(2) in paragraph (7), by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

"(6) (3) in paragraph (11), by striking "(6)" and inserting or (13)".

!!SEC. 315. EXPEDITED PROCEDURES.!!

Section 309(a) of Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended by adding at the end the following new paragraph:

"(14) (A) If the complaint in a proceeding was filed within

60 days immediately preceding a general election, the Commission

may take action described in this subparagraph.

"(B) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to it, that

there is clear and convincing evidence that a violation of this

Act has occurred, is occurring, or is about to occur and it appears that the requirements for relief stated in paragraph (13) (A) (ii), (iii), and (iv) are met, the Commission may--

"(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3),

and

(4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election,

immediately seek relief under paragraph (13) (A).

"(C) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to it, that

the complaint is clearly without merit, the Commission may--

"(i) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3),

and

(4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(ii) if the Commission determines that there is insufficient time to conduct proceedings before the election,

summarily dismiss the complaint."

#### !!SEC. 316. OFFICIAL MASS MAILING ALLOWANCE.!!

Section 311(f) of the Legislative Branch Appropriations Act, 1991 (2 U.S.C. 59e(f)) is amended to read as follows:

"(f) (1) There is established in the House of Representatives an Official Mass Mailing Allowance for Members of the House of Representatives.

"(2) The Official Mass Mailing Allowance of a Member of the House of Representatives--

"(A) shall be available only for postage for any mass

mailing sent by such Member as franked mail;

"(B) shall be the sole source of funding for any such postage; and

"(C) shall be available, in a session of Congress (subject to paragraph (5)(A)(ii)), in an amount not to exceed the total amount allocated to the Official Mail Allowance of such Member in such session.

"(3) No amount may be transferred to or from the Official Mass Mailing Allowance of a Member of the House of Representatives (including as described in the parenthetical matter in subsection (a)(2)(A)), except as provided in subsection (e)(3)(B).

"(4) For purposes of subsection (b), the Official Mass Mailing Allowance of (and any mass mailing sent by) a Member of the House of Representatives shall be treated separately from the Official Mail Allowance of (and any other official mail sent by) such Member.

"(5)(A) Otherwise applicable provisions of law relating to mass mailings sent by a Member of (or Member-elect to) the House of Representatives shall continue to govern such mass mailings--

"(i) except that--

"(I) for purposes of carrying out those other provisions of law, the term 'mass mailing' shall have the meaning given it under paragraph (8); and

"(II) a mass mailing may not be sent if it would be postmarked during any session that begins in an even-numbered calendar year, subject to subparagraph (B); and

"(ii) except as otherwise provided in this subsection.

"(B) Nothing in subclause (II) of subparagraph (A)(i) shall be considered to preclude the mailing of any mail matter--

"(i) sent after the Tuesday next after the 1st Monday in November of such year, and any mass mailing described in section

3210(a)(6)(B) of title 39, United States Code; or

"(ii) which relates to an emergency or disaster declared by the President, if--

"(I) the mailing is sent within 60 days after the emergency or disaster is declared;

"(II) the recipients of the mailing are located in a congressional district any portion of which is within (or adjacent to) an area included in the President's declaration;

(iv) "(III) the mailing complies with clauses (iii) and of paragraph (8)(C);

"(IV) the mailing complies with clauses (i) and (ii)(II) of section 3210(a)(6)(A) of title 39, United States Code; and

"(V) the mailing relates solely to the emergency or disaster.

"(6) A Member of the House of Representatives shall--

"(A) before making any mass mailing, submit a sample of the mail matter involved to the House Commission on Congressional Mailing Standards for an advisory opinion as to whether such proposed mailing is in compliance with applicable provisions of law, rule, or regulation;

"(B) before making any mailing of substantially identical mail which totals 250 pieces or less (but more than 50) in the same session, and which in every other respect meets the definition of a mass mailing (determined disregarding the exclusion under subclause (II) of paragraph (8)(A)(i)), submit a

sample of the mail matter involved to such Commission; and  
"(C) before making any mailing of substantially identical mail, in the nature of a town meeting notice, which totals more than 50 pieces in the same session, and which in every other respect (aside from such nature and number) meets the definition

of a mass mailing, submit a sample of the mail matter involved to such Commission.

"(7)(A) The regulations prescribed in connection with subsection (a)(3) shall be amended to require, in addition to the information otherwise required to be included in the quarterly report referred to therein, a statement of--

"(i) costs charged against the Official Mass Mailing Allowance of each Member; and  
"(ii) the number of pieces of mail in any mass mailing sent by a Member.

"(B)(i) The House Commission on Congressional Mailing Standards shall by regulation establish procedures under which there shall be made available to the public for review and copying any matter submitted to the Commission under paragraph (6). Any copying under the preceding sentence shall be at the expense of the person who

requests the copying.

"(ii) Under the regulations, mail matter shall be made available within 2 weeks after the date on which it is requested in accordance with applicable procedures.

"(8) For the purpose of this subsection--

"(A) the term 'mass mailing' means, with respect to a session of Congress, any mailing of newsletters or other pieces

of mail with substantially identical content (whether such mail

is deposited singly or in bulk, or at the same time or different

times), totaling more than 250 pieces in that session, except that such term does not include--

"(i)(I) any mailing of matter in direct response to a communication from a person to whom the matter is mailed;

or

"(II) a single follow-up to any such direct response, if it is made before the end of the Congress in which the direct response was made, it occurs within 6 weeks after any

significant congressional action (as defined by the House Commission on Congressional Mailing Standards) on the subject matter involved, and it complies with any requirements which would be applicable to it under clause (i) or (ii)(II) of section 3210(a)(6)(A) of title 39, United

States

Code, if it were a mass mailing;

"(ii) any mailing from a Member of Congress to other Members of Congress, or to Federal, State, or local government officials;

"(iii) any mailing of a news release to the communications media; or

"(iv) any mailing described in clause (iv) or (v) of section 6(b)(1)(B) of the Legislative Branch Appropriations

to

Act, 1995 (39 U.S.C. 3210 note), subject to the same restriction as specified in such clause (iv) with respect

to

a Member of the Senate;

"(B) the term 'franked mail' has the meaning given such term by section 3201(4) of title 39, United States Code; and

"(C) the term 'town meeting notice' means (including for purposes of subparagraph (A)(iv)) any mailing which--

"(i) relates solely to a notice of the time and place at which a Member of the House of Representatives or 1 or more members of the Member's staff will be available to meet

with

constituents regarding legislative issues or problems

with

Federal programs;

"(ii) appears on a mailing 5\1/2\" x 8" or smaller;  
"(iii) includes not more than 3 references to the Member (excluding any reference appearing as the frank, consisting of the signature and name at the end of the mailing, or otherwise specified in regulations of the

House

Commission on Congressional Mailing Standards); and  
"(iv) does not include any picture, sketch, or other likeness of the Member."

**!!SEC. 317. PROVISIONS RELATING TO MEMBERS' OFFICIAL MAIL ALLOWANCE.!!**

(a) REDUCTION IN MAXIMUM ALLOCATION.--Section 311(e)(2)(B)(i) of the Legislative Branch Appropriations Act, 1991 (2 U.S.C. 59e(e)(2)(B)(i)) is amended by striking "3" and inserting "0.5".

(b) LIMITATION ON TRANSFERS.--Paragraph (3) of section 311(e) of such Act is amended to read as follows:

"(3)(A) Except as provided in subparagraph (B), no amount may be transferred to or from the Official Mail Allowance of a Member of the House of Representatives.

"(B) A Member of the House of Representatives may transfer amounts from the Official Mass Mailing Allowance of the Member to the Official Mail Allowance of the Member."

**!!SEC. 318. INTENT OF CONGRESS.!!**

It is the intent of Congress that any funds realized by section 316 of the Bipartisan Clean Congress Act of 1995 shall be designated to pay for the benefits provided in section 103.

**!!SEC. 319. SEVERABILITY.!!**

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any other person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of the provisions of such to any other person or circumstance shall not be affected thereby.

**!!SEC. 320. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.!!**

(a) DIRECT APPEAL TO SUPREME COURT.--An appeal may be taken directly to the Supreme Court of the United States from any interlocutory order or final judgment, decree, or order issued by

any court ruling on the constitutionality of any provision of this Act or amendment made by this Act.

(b) ACCEPTANCE AND EXPEDITION.--The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

!!SEC. 321. EFFECTIVE DATE.!!

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on January 1, 1997.

!!SEC. 322. REGULATIONS.!!

The Federal Election Commission shall prescribe any regulations required to carry out this Act not later than 9 months after the effective date of this Act.

There are no more items to read.

\*\*\* COSPONSOR REPORT -- COSPONSOR ACTION BY DATE \*\*\*

MEASURE: HR2566  
SPONSOR: Smith (R-WA)  
BRIEF TITLE: Bipartisan Clean Congress Act of 1995.  
INTRODUCED: 10/31/95  
COSPONSORS: 19 (Dems: 8 Reps: 11 Ind: 0)  
COSPONSOR ACTION:

10/31/95 Original Cosponsor(s): 11  
 Bereuter (R-NE) Inglis, B. (R-SC) Poshard  
 (D-IL)  
 Cardin (D-MD) Leach (R-IA) Roukema  
 (R-NJ)  
 Forbes (R-NY) Meehan (D-MA) Shays  
 (R-CT)  
 Horn (R-CA) Minge (D-MN)

11/16/95 Cosponsor(s) added: 1  
 Schroeder (D-CO)

11/29/95 Cosponsor(s) added: 1  
 Davis (R-VA)

12/07/95 Cosponsor(s) added: 1  
 Johnston, H. (D-FL)

12/22/95 Cosponsor(s) added: 1  
 Bilbray (R-CA)

01/23/96 Cosponsor(s) added: 3  
 Blute (R-MA) Schumer (D-NY) Underwood  
 (D-GU)

01/24/96 Cosponsor(s) added: 1  
 Seastrand (R-CA)

There are no more items to display.

\*\*\* COSPONSOR REPORT -- CURRENT COSPONSORS IN ALPHABETICAL ORDER  
 \*\*\*

MEASURE: HR2566

SPONSOR: Smith (R-WA)

BRIEF TITLE: Bipartisan Clean Congress Act of 1995.

INTRODUCED: 10/31/95

COSPONSORS: 19 (Dems: 8 Reps: 11 Ind: 0)

CURRENT COSPONSORS:

|                           |                     |           |
|---------------------------|---------------------|-----------|
| Bereuter (R-NE)<br>(D-CO) | Inglis, B. (R-SC)   | Schroeder |
| Bilbray (R-CA)<br>(D-NY)  | Johnston, H. (D-FL) | Schumer   |
| Blute (R-MA)<br>(R-CA)    | Leach (R-IA)        | Seastrand |
| Cardin (D-MD)<br>(R-CT)   | Meehan (D-MA)       | Shays     |

Pues spoke yesterday in this

Harold mtg - Monday

mtg know w/ Leg Affs people

Document - pure  
ent-corporation

How engaged in details on bill?

Mtg w/ Feingold etc / Pues

# AMERICA'S CHALLENGE

*Background on President Clinton's  
State of the Union Address to Congress  
January 23, 1996*

*Matt  
Revised  
1/23/96*

*1:50  
1:50*

1. **CHALLENGE ON FAMILIES:** Cherish our children and strengthen the American family.
2. **CHALLENGE ON EDUCATION:** Renew our schools for the new century and open wide the doors of college.
3. **CHALLENGE ON ECONOMIC SECURITY:** Provide new security for the American family in the new economy.
4. **CHALLENGE ON CRIME AND DRUGS:** Join together to take back our streets from crime, gangs and drugs.
5. **CHALLENGE ON THE ENVIRONMENT:** Protect the environment for future generations.
6. **CHALLENGE ON WORLD LEADERSHIP:** Meet our responsibility to lead the fight for freedom and peace.
7. **CHALLENGE ON GOVERNMENT :** Reform our political system and make government work for the people.

*you will  
only  
Candidate  
TO  
Support  
24101's  
Bill*

# AMERICA'S CHALLENGE

*President Clinton's State of the Union Address to Congress*

*January 23, 1996*

## **CHALLENGE ON FAMILIES**

- Challenge fathers to care for their children.
- Cut-down on TV violence.
- Protect our children from tobacco.
- Child support enforcement
- National campaign against teen pregnancy.
- End the tragedy of domestic violence.

## **CHALLENGE ON ECONOMIC SECURITY**

- Raise the minimum wage.
- Preserve the Earned Income Tax Credit.
- \$500 per child tax credit.
- Protect workers' pensions.
- Protect Medicare and Medicaid.
- Make health care portable and eliminate pre-existing conditions exclusions.

## **CHALLENGE ON WORLD LEADERSHIP**

- America as Peacemaker, not isolationist and not global policeman.
- Ratify Start II Treaty to cut nuclear stockpiles by another 25%.
- Pass Comprehensive Test Ban Treaty.
- Approve Chemical Weapons Convention.
- Pass Anti-Terrorism Bill to give law enforcement greater power to fight terrorism at home and abroad.

## **CHALLENGE ON EDUCATION**

- Higher standards and public school choice.
- Educational Technology Initiative.
- Expand college work-study to more than 1 million students.
- \$10,000 tax deduction for college tuition.
- \$1,000 college merit scholarship for top 5% of high school graduates.

## **CHALLENGE ON CRIME AND DRUGS**

- Challenge states to meet 85% truth-in-sentencing.
- Direct FBI to wage war on gangs that involve juveniles in violent crime.
- "One-Strike-and-You're-Out" in Public Housing.
- Appoint General McCaffrey as Drug Czar.

## **CHALLENGE ON THE ENVIRONMENT**

- Brownfields Initiative to clean up contaminated sites in distressed areas.
- Project XL-- Challenge businesses to find cheaper ways to meet tougher standards.
- Expand and strengthen citizens' Right-To-Know about toxic chemicals in their communities.

## **CHALLENGE ON GOVERNMENT**

- Executive Order revoking federal contracts of businesses that hire illegal workers.
- Continue Reinventing Government -- creating the smallest, smartest government in 30 years.
- Enact McCain-Feingold real campaign finance reform.

# AMERICA'S CHALLENGE

*Background on President Clinton's  
State of the Union Address to Congress  
January 23, 1996*

## **1. CHALLENGE ON FAMILIES:** *Cherish our children and strengthen the American Family.*

Families are the foundation of American life. The President challenges families to stay together, respect one another, end domestic violence, and for parents to take responsibility for their children.

### **Cut Down On TV-Violence.**

The Administration wants to give parents the information they need to determine what their children see and hear. For this reason, the President supports the V-chip and voluntary rating system established by the television industry. The Administration also supports action to increase and improve the quality of programming for children.

To this end, the President has urged the Commissioners of the Federal Communications Commission to require broadcasters to air at least three hours per week -- and preferably more - of quality children's programming and has supported Public Broadcasting and the quality programming option it offers children and adults. The President's meeting with leaders of major media corporations and the entertainment industry will discuss voluntary ways to achieve these goals without delay.

### **Protect Our Children From Tobacco.**

More than 300,000 Americans every year die because of illnesses associated with tobacco use. Every single day, another 3,000 children become regular smokers. One thousand of these children will eventually die from smoking-related disease. It is up to all of us -- family, schools and communities -- to work together to protect our children from the deadly disease of nicotine addiction.

This past year, President Clinton proposed targeted measures to fight this deadly problem. The Administration has proposed regulations designed to restrict the methods used by the tobacco industry to sell tobacco products to children. Specifically, these proposals cut off children's access to tobacco and reduce the appeal of these products.

Just last week, the Clinton Administration gave states guidance on how to implement the Synar Amendment, which requires states to have and to enforce laws banning the sale and distribution of tobacco products to children.

### **Child Support Enforcement.**

The President reiterated his proposal for the toughest child support enforcement measures ever: streamlined paternity establishment; employer reporting of new hires to catch non-paying parents who move from job to job; uniform interstate child support laws; computerized state-wide collections to speed up payments; and tough new penalties, like drivers' license revocation. Together, these measures will send a clear and consistent message that both parents must take responsibility for the children they bring into this world. Congress should pass them now as part of real, bipartisan welfare reform.

### **Teen Pregnancy.**

In last year's State of the Union Address, the President called for a national campaign to address teen pregnancy, which he called "our most serious social problem." This year, the President announced that his call has been answered. A diverse and bipartisan group of prominent Americans is about to announce the formation of A National Campaign to Reduce Teenage Pregnancy. Their goal is to reduce teenage pregnancy by one-third over the next ten years. This is a serious, nonpartisan effort to mobilize many sectors of American society -- business, entertainment, media, religious leaders and others -- to tackle this serious problem. The Clinton administration has worked to help the organizers of this independent effort get started, and the President has promised his active support for their work.

**2. CHALLENGE ON EDUCATION:** *Renew our schools for the new century and open wide the doors of college.*

Over the past three years, President Clinton has led efforts to dramatically reform education and training policy. Now, President Clinton proposes several new initiatives to bring more technology into the classroom; urge states, communities, and schools to raise standards; give parents more public school choice; and greatly expand access to college.

**Educational Technology Initiative – Technologically Literacy For The 21st Century.**

Nothing is more critical to preparing our public schools for the 21st century than ensuring they have the modern technology to prepare students for the information age. The President challenges the nation to work together in a major new national effort to help every student become technologically literate for the 21st century.

*Specifically the President has four goals:*

- (1) Provide access to modern computers for all teachers and students;
- (2) Connect every school in America to the Information Superhighway;
- (3) Develop effective software in all subject areas, and
- (4) Give every teacher the development they need to help students use and learn through technology.

*To reach these goals the President will lead a national effort that will include the following new initiatives:*

- The President and Vice President will lead an effort to wire all of the nation's classrooms for computer access to the Internet by the year 2000.
- The President is calling for the creation of an Educational Technology Fund -- a private/public technology "matching fund" to help ensure that every student has adequate access to a cutting-edge computer and every teacher has the skills and software to make the best possible use of available technology.
- Challenge to educational software and entertainment leaders to produce better educational software to make learning more exciting and interesting.

## **Higher Education Standards For Students And Teachers.**

Perhaps no challenge is more central to ensuring America's competitive strength in the 21st century than renewing our public school system. The President wants to see public schools driven by demanding high standards for students and teachers.

President Clinton challenges states and school districts to enact professional standards of excellence for teachers, and high standards of achievement for students. He also urged that all parents should have the opportunity to change schools or start new ones if their child's school is not performing.

Schools need to be safe and drug-free, and need to teach well the basics, good citizenship, responsibility, and core academics. The President believes that schools need to be accountable for their students' performance and that a high school diploma must mean something.

## **Public School Choice.**

President Clinton believes that information, competition, and choice among public schools should be the rule, not the exception. Any parent who is dissatisfied with either their own child's or the school's performance should have the opportunity to choose a public school that will do better.

## **Charter Schools.**

To ensure that every parent has this chance, the President is calling on all 50 states to enact charter school laws within 12 months. Twenty states currently have laws providing for the creation of charter schools -- public schools, created and managed by parents, teachers and administrators. They are held accountable for their results through a performance-based contract with a local school board, state, or other public institution.

The President will also be asking for a substantial increase in federal funding, up to \$40 million annually, to help local efforts to start nearly 3,000 new charter schools over the next five years.

## **Parent Involvement.**

The President believes strongly in the critical importance of parent involvement in their children's education. Parents are and continue to be their children's first and most important teacher. The President asks parents to read with children, see that their homework is done, see that they take the tough courses, know their children's teachers, talk to their children directly about the dangers of drugs and alcohol, and talk to them about the values they want them to have. These conversations could literally save their lives. Businesses, schools, and religious organizations can help parents find the time for all of this by being family-friendly for learning.

## **Dramatically Expand Access To College.**

President Clinton is deeply committed to ensuring that all deserving students can afford to go to college, and to helping American families invest in their children's and their nation's future. That is why he will continue to block attempts to cap the Direct Lending Student Loan program, which makes college more accessible by allowing students to repay loans as a percentage of their income and by cutting out the middle-man and eliminating red tape. That is also why he will block attempts to cut Pell Grant Scholarships and instead wants to increase their number and the maximum award.

Now, President Clinton calls for the enactment of three key initiatives to increase access to and the affordability of college education. Each of these proposals rewards responsible students and hard-working families.

- **Merit Scholarships.** The President calls for the creation of the largest-ever merit-based scholarship program, rewarding the top 5% of high school graduates in every school -- over 125,000 students annually -- with \$1,000 grants toward the cost of college. The scholarships, rewarding excellence and achievement, will be awarded to the top five percent of graduating students in every secondary school in the United States.
- **Expansion Of Work Study.** The President proposed a dramatic expansion of the College Work Study program, from 700,000 students to over one million over the next five years. This nearly 50 percent increase will significantly expand a program that reaffirms the American ethic, rewarding hard work and helping ensure that all who want a higher education are able to afford it.
- **Tuition Tax Deduction.** The President renewed his call for a deduction of up to \$10,000 for the cost of tuition and training. 16.5 million students stand to benefit from this proposal for tax relief to working families.

**3. CHALLENGE ON ECONOMIC SECURITY.** *Provide new security for the American family in the new economy.*

America's economy is strong. Home ownership is at its highest rate in 15 years and 7.8 million new jobs have been created during the last three years. The President's 1993 Economic Plan has cut the deficit nearly in half. And Taxes have been lowered for 15 million households by dramatically expanding the Earned Income Tax Credit. But our people are working harder than ever, and they deserve what it takes to get ahead in the new economy.

**A G.I. Bill for America's Workers.**

In the new economy, skills matter more. For workers, a year of either on-the-job or formal training raises wages by about as much as a year of college education. That is why the President challenged the Congress in December 1994 to enact a new GI Bill for America's Workers.

Now, the President calls for the Congress to pass his fundamental reform of the federal job-training system. The Administration's proposal would eliminate at least 70 separate job training programs, replacing them with an integrated system that minimizes red tape and maximizes individual choice in each local community. Unemployed and low-income workers would be able to get individual Skill Grants to use as they choose for learning new skills to find new and better jobs.

The President's proposal would also provide workers access, through networks of One-Stop Career Centers already under construction in the States, to reliable computerized data on jobs, careers, what skills are in demand, and the success records of training institutions, so that workers can make good choices to improve their futures. States and localities would have flexibility to work in partnership with the private sector to tailor training programs and delivery systems to reflect local conditions and priorities.

The Administration proposal also includes a youth component. Federal education, training, and employment programs for youth would be reshaped to support the community-based school-to-work movement already underway in states under the School-to-Work Opportunities Act of 1994. The proposal will enable schools, colleges, and the private sector in each local community to offer all youth work-based learning opportunities and clear pathways to good jobs, rewarding careers, and lifelong learning.

### **Increase the Minimum Wage.**

The President challenges Congress to raise the minimum wage and provide the opportunity for Americans to lift themselves and their families out of poverty. One year ago, the President proposed increasing the minimum wage from \$4.25 to \$5.15 an hour in two equal steps. If Congress does not act now, the value of the minimum wage will fall to its lowest level in 40 years. The President's proposal would help lift the lives of the estimated 11 million Americans who earn less than \$5.15. For those people working full-time, this minimum wage increase provides \$1,800 -- enough money for the average American family to buy groceries for seven months.

A rise in the minimum wage helps families that are working hard but struggling to make ends meet. Most workers who earn the minimum wage are adults; nearly 40 percent are the sole breadwinner in their family; and the average minimum wage worker brings home half of their family's earnings. And more than one dozen studies suggest that a modest minimum wage increase -- like the President's proposal -- would not cost jobs.

Despite criticism in some corners, the minimum wage has traditionally had bipartisan support. In 1989, the minimum wage increase passed the House by a vote of 382 to 37, and 89 to 8 in the Senate. It's time to raise the minimum wage. And it's time to ensure that those who work hard and play by the rules can live with the dignity that they have earned.

### **The Earned Income Tax Credit and \$500 Per Child Tax Credit.**

President Clinton's 1993 Economic Plan expanded the Earned Income Tax Credit to provide tax relief to 15 million working families and households. The EITC encourages families to move from welfare to work by making work pay. President Clinton has staunchly opposed deep cuts in the EITC proposed by Republicans which would raise income taxes on millions of hard-working families. The President's seven-year balanced budget plan provides additional tax relief to working families. It would provide a tax credit of up to \$500 per child to families with incomes up to \$75,000.

### **Making Pensions More Accessible For All Americans.**

Only about half of all full-time workers in the private sector are covered by a pension. Three-quarters of workers in small businesses with fewer than 100 employees are not covered by a pension plan. President Clinton believes that we need to better empower Americans to save for their futures.

### **Simplifying Pension Rules.**

In June of last year, the President proposed a significant simplification of our pension system, so that businesses of all sizes, but particularly small businesses, could more easily make tax-advantaged savings programs available to their employees. The NEST option would enable businesses with 100 or fewer employees to establish a retirement savings program by sending the IRS a simple one-page form. By getting rid of the family aggregation rules, families who work together in small or large businesses could save as individuals. Larger businesses and tax-exempt organizations could also offer simpler plans, so more money could go to workers' retirement and less to accountants, lawyers, and other consultants. These proposals are all part of the President's budget offer of January 18, 1996. Similar reforms have been passed by the Congress. This is an area where agreement to benefit all Americans is both possible and close to fruition.

### **Safeguarding Retirement Savings.**

The Clinton Administration has taken important actions to make certain that pension savings are there when people need them. The Retirement Protection Act enacted in 1994 protects the pension funds of more than 40 million workers and retirees in traditional pension plans, including more than 8 million in plans that remain underfunded. Pension underfunding has been reduced for the first time in a decade -- from \$71 billion in 1993 to \$31 billion in 1994. The Department of Labor's 401(k) enforcement program and proposed legislation and regulations are designed to ensure that employees' savings are actually contributed to their retirement plan and invested. The Department has already recovered more than \$3.5 million for 2,800 workers. This Administration has demonstrated its commitment to safety and security in the pension system.

### **Opposing Raids on Pension Funds.**

No corporation should be able to raid your hard-earned savings. The Clinton Administration will continue to fight cynical Republican efforts to fund tax cuts by allowing corporations to raid their pension funds -- the same kind of raids that cost workers about \$20 billion in the 1980s to fund corporate mergers and leveraged buyouts. The Republican proposal would allow corporations to reduce pension fund assets by approximately \$15 billion.

### **Health Insurance Reform -- Portability Protections.**

The President calls on the Congress to pass meaningful health insurance reforms that would guarantee that insurers no longer apply pre-existing condition exclusions to previously insured workers who have had at least one year of coverage. Providing for this portability protection and eliminating "job-lock" for all Americans has always been one of President Clinton's top priorities. His proposal would also require plans to renew coverage without regard to health status.

Insurance reform bills similar to the President's have received broad, bipartisan support in the Congress. Over 35 insurance market reform bills have been introduced since 1990, including legislation cosponsored by Republican Senator Kassebaum and Democratic Senator Kennedy that was unanimously reported out of the Labor Committee last year.

## **Protect Medicare and Medicaid: Reform that Protects and Strengthens the Programs.**

Medicare. The President's proposal preserves and enhances Medicare. In so doing, he rejects proposals that structurally undermine the program through excessive cuts and unwise programmatic changes that unnecessarily harm beneficiaries and providers. Instead, the President proposes reforms that achieve savings that limit the per person growth of the program to just below the private sector growth rate, extends the life of the Medicare Trust Fund through at least 2010, adds new cost-effective preventive benefits, and provides a new respite benefit for families of beneficiaries with Alzheimer's disease.

In addition, the President proposal expands plan choices for beneficiaries to include HMOs with a point-of-service option, Preferred Provider Organizations (PPOs), and Provider Service Networks. These options work to promote competition on the basis of cost and quality, rather than to "cherry-pick" at the expense of the sick and the elderly.

Medicaid. Like the Medicare program, the President calls on the nation to maintain its commitment to a strong, but more flexible and cost-conscious Medicaid program. He rejects proposals that block grant the program and provide for harmful and excessive cuts that could deny health benefits to 3-6 million Americans in 2002, including more than 1 million children. Instead, President Clinton advocates making the program more flexible by removing unnecessary Federal health care delivery and reimbursement strings that tie a Governor's hands in administering an efficient and responsive program. In so doing, however, he maintains the Federal guarantee to a set of meaningful benefits, retains financial and quality protections for the states (through his per capita cap, which provides more dollars during economic downturns), and continues protections of recipients and their families (through retention of nursing home quality, spousal impoverishment, and family financial resources protections, and retention of coverage of low-income Medicare beneficiaries' premiums and costsharing).

## **Health Insurance Reforms – Building On Portability Protections: Health Insurance For The Temporarily Unemployed.**

The President believes that individuals who lose their health insurance when they lose their job should be eligible for premium subsidies to pay for private insurance coverage for up to six months. Such a proposal would provide coverage for 3.8 million more Americans a year.

## **Health Insurance Reform -- Making Insurance More Accessible And Affordable For Small Business And Their Employees.**

In addition to the insurance reforms outlined above, the President's proposal would require plans to make coverage available to all groups of businesses, regardless of the health status of any of the group's members ("guaranteed issue"). Insurers would be required to provide an open enrollment period of at least 30 days for all new employees (whether or not they had been previously insured). Moreover, insurers could not individually underwrite new enrollees, i.e., their premiums would have to be the same as other enrollees with similar demographic characteristics. These provisions also have broad, bipartisan support.

To address the issue of affordability, the President's insurance reforms would also limit premium variations for small businesses by phasing out the use of claims experience, duration of coverage, and health status in determining rates. To put the self-employed on a more equal footing with other businesses, the President proposes to gradually increase the self-employed tax deduction from 25 to 50 percent. And finally, to help provide small businesses with the type of purchasing clout larger businesses have, technical assistance and funding (\$25 million a year in grants) would be provided to states to set up voluntary purchasing cooperatives. (Purchasing cooperatives are also included in the Kassebaum/Kennedy plan.) Under the President's plan, the State could request that commercial insurers providing Federal Employee Health Benefit Plans (FEHBP) also offer insurance products to small businesses in a voluntary purchasing cooperative. To assure cost control within the Federal program, the Federal employee and private sector "pools" would be kept separate.

## **Cracking Down On Health Care Fraud And Abuse.**

In the last three years alone, the Administration has saved an unprecedented \$15 billion by cracking down on fraud and abuse in the Medicare and Medicaid programs.

The President's balanced budget plan continues these aggressive policies. It strengthens the fraud and abuse laws so that we can better prosecute health care fraud in all government programs and private plans, makes it easier to restore money to Medicare and Medicaid and to American taxpayers, and increases penalties so that wrongdoers are punished severely. It expands "Operation Restore Trust" nationwide -- a program currently operating in five states that coordinates anti-fraud activities and uses new technology to fight fraud and abuse. Finally, it guarantees funding to investigate and prosecute those who have defrauded the Medicare and Medicaid programs and the taxpayers who support them.

#### **4. CHALLENGE ON CRIME AND DRUGS:** *Take back our streets from crime, gangs, and drugs.*

America has begun to find the way to stop crime. In New York City murders are down 25%, in St. Louis 18%, and in Seattle 32%. The President's Crime Bill is putting more police on the streets -- 31,000 just this last year. The Brady Bill has stopped 44,000 felons and over 20,000 fugitives, stalkers, and others from buying handguns. The Assault Weapons Ban is keeping UZIs out of the hands of drug runners, and the Violence Against Women Act has cracked down on abusers of women while improving services for victims so that they have somewhere to turn. The President's anti-crime strategy is working.

The President reiterated that he will veto any attempt to repeal the Brady Bill, the Assault Weapons Ban, or the COPS program -- which will put an additional 25,000 cops on the streets of America in 1996. In addition, the President announced several new initiatives to build on his Administration's successful efforts to win the war on crime and drugs.

#### **Anti-Gang Initiatives.**

Over the past decade, street gangs have become the major force in the distribution of narcotics and the commission of violent crimes. Gangs are a significant problem affecting not only our inner cities but also suburban and rural communities throughout the country. Over the last year, the Justice Department's Anti-Violent Crime Strategy -- in which Federal prosecutors work in tandem with members of their local law enforcement and communities -- has led to the prosecution of thousands of violent and repeat offenders.

- *Building on that success, the President directed the FBI and other investigative agencies to wage a coordinated war on gangs that involve juveniles in violent crime. The Justice Department has also developed a comprehensive anti-gang strategy that it will submit to Congress later this week. In addition, the Administration has submitted legislation to Congress that would afford Federal prosecutors the discretion to prosecute juvenile offenders as adults. Juveniles who commit adult crimes should be treated like adults. President Clinton calls on the Congress to pass this legislation now. At the same time, we will hold adults who traffic crime guns to kids accountable by launching an initiative in over 10 cities that will track, arrest, and prosecute these gun peddlers.*

#### **One Strike And You're Out -- A Directive To Remove Criminals From Public Housing.**

President Clinton is committed to cracking down on gangs and drugs in public housing. Large, violent street gangs have controlled entire projects in some of our cities, recruiting children as young as 7 years old to sell drugs.

President Clinton challenges HUD, local governments and public housing residents to link arms

in ousting drug dealers and violent crime from public housing. In city after city, the count for abusive residents involved in drugs and crime will now be "one strike and you're out." Under this plan, the President will direct the Secretary of HUD to implement a one strike program for public housing. We will no longer tolerate these drug dealers and violent offenders terrorizing residents in their homes.

### **Truth-In-Sentencing.**

State and local prison populations continue to grow. Unfortunately, some correctional systems faced with rising prison populations have released offenders when their institutions reach a certain population level. The result is that prisoners are released before they finish serving their full sentence. This is a hoax being played on the American public. The Federal criminal justice system resolved this problem some time ago by adopting truth-in-sentencing. Federal prisoners serve at least 85% of the sentence imposed and are not eligible for parole. Now is the time for the States to get on board and stop releasing criminals back into the general public before they serve their time. That is why the President is challenging the States to ensure that by the year 2000 State prisoners serve at least 85% of their sentence.

### **New Drug Czar -- General Barry R. McCaffrey.**

Ending the drug scourge in America has and will be a top priority for the Clinton Administration. That is why President Clinton announced during the State of the Union that he will be nominating General Barry R. McCaffrey to be his next Director of the Office of National Drug Control Policy.

A Four Star General, McCaffrey served in four combat tours, was wounded three times in action, and was decorated twice with the Distinguished Service Cross and twice with the Silver Star. In praising President Clinton for choosing McCaffrey, *The Miami Herald* described him as "decisive, analytical, candid, soldier's soldier, the Army's most decorated officer... says what he thinks, and he thinks with great clarity."

As Commander of U.S. forces in Latin America McCaffrey built an international and interagency coalition that has achieved significant successes over the last two years against narcotraffickers attempting to bring cocaine into the United States. His service and leadership in Latin America will build upon the success that his predecessor, Lee Brown, contributed in dismantling the Cali Drug Cartel.

General McCaffrey's skills and background make him perfectly suited for this position -- a proven military leader who commands respect from young Americans, pursues his goals with efficiency and order, and expects positive results. He has spent his military career engaged in coordinated campaigns that are directed toward solutions and winning. He will not tolerate bureaucratic turf wars or grandstanding on this critical issue.

**5. CHALLENGE ON THE ENVIRONMENT:** *Protect the environment for future generations.*

For the past generation we have made great progress in protecting the environment. We now have cleaner and safer air and water. Lead levels in children's blood have been cut 70 percent and toxic emissions from factories are cut in half. 25 years ago, lake Erie was dead, now it is a thriving resource. Now, President Clinton challenges Congress to move forward, not backward, on the environment, and called on Congress to abandon reckless proposals to cut environmental enforcement by 25% and make taxpayers -- not polluters -- pick up the tab for environmental cleanup.

**Project XL -- Tougher Standards And More Flexibility.**

As the nation has made progress in protecting the environment, the system created to address the environmental crises of 25 years ago must change with the times.

To achieve better environmental results at less cost, provide regulatory flexibility, and maintain accountability, President Clinton announced Project XL -- for excellence and leadership -- in March 1995. In November 1995, the President named eight pilot projects from six companies and a state and a local government as the first of 50 projects.

Project XL is based on the premise that by giving businesses, states and communities the flexibility to explore creative solutions for controlling pollution, they will develop innovative ways to achieve results that go beyond the ones required by environmental regulations -- and do so in more common-sense and cost-effective ways.

In his 1996 State of the Union Address, the President offered this challenge to all businesses: If you can meet even higher environmental standards, we will cut red tape and regulations, so that you can find the cheapest and most efficient way to do it.

## **Expanding Community Right-To-Know About Toxic Chemicals Released In Their Communities.**

For nearly a decade, Americans have had an important right: the right to know what dangerous chemicals are being released into their communities. Armed with Community-Right-To-Know information, citizens around the country are taking action to solve local environmental problems that affect their health and safety. Since the inception of these laws in 1986, reported releases of toxic chemicals have declined by 43% nationwide.

EPA's Toxics Release Inventory is an annual listing of chemical hazards that industries have released into the environment, organized by zip code. Citizens have easy access to these reports through local libraries, state and federal environmental offices, the internet, and EPA's toll-free hotline. President Clinton has acted to strengthen and expand the public's right to know about local pollution by requiring Federal facilities and government contractors to report on chemical releases, by expanding the number of chemicals that must be publicly reported, and by making it easier for small businesses to report right-to-know information. Now, President Clinton calls on Congress to work with his Administration to expand and strengthen communities' right-to-know.

## **Brownfields Initiative -- Common Sense Approach To Cleaning The Environment.**

The Administration is taking a new approach to environmental regulation, one that tackles problems with common sense. Throughout America's cities, hundreds of thousands of old industrial sites lie neglected. These so-called "brownfields" have lingered as trash-strewn eyesores while businesses have shifted their operations to pristine locations in the suburbs and the countryside.

The President pledges that his Administration would revitalize America's cities by challenging American business to work with their communities to clean up brownfields that are a blight to our communities, a threat to our health, and an obstacle to economic growth. Under this proposal, EPA will continue to make common sense policy changes that speed the cleanup of brownfields and provide grants to cities to cleanup and redevelop contaminated land.

The President is proposing to offer new purchasers and other businesses that will redevelop brownfields a new targeted tax incentive to recover the cost of clean-up in distressed communities over a shorter period of time. This initiative will spur the private sector to create jobs, return land to productive use, and clean up the environment. As part of this package, the Administration will also ask Congress to enact legislation to protect lenders who finance the clean-up or redevelopment of these sites. This common sense, cost-effective initiative captures the best of what we can do together to revitalize the cities of this country.

**6. CHALLENGE ON WORLD LEADERSHIP:** *Meet our responsibility to lead the fight for freedom and peace.*

President Clinton has continued the strong tradition of American leadership in the world that has brought our people 50 years of security and prosperity. He has addressed the challenges of today: ethnic and religious hatreds; aggression by rogue states; the spread of weapons of mass destruction; terrorism; crime; drug trafficking; environmental decay -- because problems that start beyond our borders can quickly become problems within them. The United States cannot be the world's policeman, because our reach and resources are limited. Instead, where our interests and values demand it -- and where we can make a difference -- America takes the lead.

**America The Peacemaker -- Not Isolationist, Not Global Policeman.**

- ▶ We stayed engaged with Russia -- now there are no Russian missiles pointed at our cities or citizens.
- ▶ Our patient pressure persuaded North Korea to freeze its nuclear weapons program.
- ▶ By threatening to use force in Haiti, we gave democracy a second chance and stopped the flow of refugees to our shores.
- ▶ By standing with those who take risks for peace in Northern Ireland and the Middle East, we have helped people turn from conflict to cooperation.
- ▶ By opening markets abroad, we have created more jobs for Americans at home.
- ▶ By standing up for peace in Bosnia, we have helped end the worst atrocities in Europe since World War II.
- ▶ We are bringing the nations of Europe closer together, modernizing and preparing to expand NATO, working with Russia and revitalizing the economies of Central Europe and the Former Soviet Union.
- ▶ America is leading because we've kept our military strong and know when to use it.

**Ratification of START II Treaty To Cut Nuclear Stockpiles By Another 25%.**

President Clinton calls on the Senate to give its advice and consent to ratification of the Treaty Between the United States and Russian Federation on Further Reduction and Limitation of Strategic Offensive Arms (START II) now. Before Christmas 1995, the Senate virtually completed debate on the Treaty and adopted a unanimous consent agreement that no further amendments to the resolution of ratification would be in order.

When ratified by Russia and entered into force, START II will require far-reaching nuclear arms reductions. In combination with the START I Treaty, START II will eliminate launchers that carried over 14,000 of the 21,000 warheads deployed when the START I Treaty was signed in 1991 -- a reduction of two-thirds. In addition, START II will eliminate the most destabilizing strategic nuclear arms -- heavy ICBMs and multiple warhead ICBMs. The President urges no further delay in reducing the nuclear threat to all Americans.

### **Comprehensive Test Ban Treaty.**

President Clinton challenges the 38 nations participating in the Geneva Conference on Disarmament to finish work on the Treaty so that it is ready to be signed this fall as called for by the United Nations General Assembly last December. As President Clinton said on August 11, "American leaders since Presidents Eisenhower and Kennedy have believed a comprehensive test ban would be a major stride toward stopping the proliferation of nuclear weapons. Now, as then, such a treaty would greatly strengthen the security of the United States and nations throughout the world. But now, unlike then, such a treaty is within our reach."

Last August, the President announced his decision to ban nuclear testing for all time by negotiating a true "zero yield" Comprehensive Test Ban Treaty (CTBT). This decision was an historic milestone in our efforts to reduce the nuclear threat and to strengthen U.S. and global security that will stop an entire generation of new nuclear weapons.

### **Chemical Weapons Convention.**

The President calls upon the Senate to outlaw poison gas once and for all by ratifying the Chemical Weapons Convention now. At the UN General Assembly last October, the President pressed for ratification of this vital treaty, stating: "As the Cold War gives way to the global village, too many people remain vulnerable. No one is immune .... We must press other countries and our own Congress to ratify the Chemical Weapons Convention."

Since the use of chemical weapons in World War I, the United States has led the effort to control and ultimately eliminate them. We outlawed the wartime use of poisonous gas in the Geneva Protocol of 1925 and today President Clinton is working hard to outlaw not only the use but also the development, production and possession of chemical weapons. Completed in 1992 and opened for signature in January 1993, 160 countries now have signed the Convention and 47 have ratified it. It is time the United States did so too.

### **Counter-Terrorism.**

In the past three years, the President has devoted unprecedented attention to the fight against terrorism. New strategies and resources resulted in the arrest of World Trade Center bombers; increased pressure on the most dangerous terrorist groups, including preventing other bombing plots; blocking the fundraising by terrorist groups opposed to the Middle East peace process; and improved our effectiveness in coping with terrorism involving chemical and biological weapons. The Clinton Administration was preparing to counter this new scourge well before the terrifying Sarin attack in Tokyo's subway.

One year ago this month, the President asked Congress for legislation to strengthen our ability to combat international terrorism. On April 19, 1995 terrorists bombed the Murrah Federal Building in Oklahoma City, killing and maiming scores of innocent workers, visitors, and children. In response, the President asked Congress to expand the international terrorism bill to include domestic terrorism. Although the Senate acted quickly, the House has failed to act. This bill is essential if we are to keep overseas terrorists from attacking Americans here at home; to prevent terrorist groups from raising funds here; to respond effectively to chemical or biological attacks; and give our Federal law enforcement agencies the tools they need to bring terrorists to justice before they strike again. The President calls upon Congress to act now on this bill creating a more secure America at home.

## **Supporting Resources for Leadership**

America cannot lead without adequate resources. Some want to retreat in the post-cold war era, while others want to lead on the cheap. Our ability to lead now faces a clear and present danger from efforts to drastically cut our foreign affairs budget. Such cuts could eliminate aid to some states of the former Soviet Union and hinder our efforts to reduce the nuclear threat; cripple our non-proliferation efforts; eliminate our contribution to peace operations, which can save us from deploying our own forces; limit our ability to promote peace in the Middle East; undermine our efforts to expand U.S. exports; and slash programs to wipe out production and smuggling of drugs that ultimately destroy our neighborhoods.

Support for these programs requires only 1% of the Federal budget. This is good investment for the American people -- and a good bargain.

America must maintain the best trained, best equipped, and best prepared military in the world. Together with a strong military, an adequately funded international affairs programs will preserve our security, expand our prosperity and advance democracy. The President calls on Congress to give us the resources we need to lead for peace.

**7. CHALLENGE ON GOVERNMENT:** *Reform our political system and make government work for the people.*

This government must again become one of the people, by the people, and for the people. The President challenges Congress to curb special interest influence in politics by passing the first truly bipartisan campaign finance reform in a generation. And the President challenges government to continue down the path of reinvention and downsizing, creating the smallest, smartest, and cheapest government in 30 years.

**Political Reform – Endorsement of The McCain-Feingold Bipartisan Campaign Finance Reform Bill.**

In his first three years in office, the President has pursued a strong, wide-ranging political reform agenda. He imposed the toughest-ever ethics code on his appointees, closed the tax provision that allowed corporations to deduct the cost of lobbying expenses, signed the Motor Voter law, and cut the White House staff by 25%.

Last year the President signed two major reform bills that he had promised to enact in Putting People First. The Congressional Accountability Act which requires Members of Congress to live by the laws of the land and lobbying disclosure legislation.

Yet, two major reforms have yet to be sent to his desk. President Clinton calls on Congress to send him the line-item veto bill so he can sign it immediately and to pass the McCain-Feingold bipartisan campaign finance reform legislation. This legislation would provide thirty minutes of free television time and require broadcasters to sell advertising at 50% of the lowest available unit rate for candidates who abide by voluntary spending limits; would limit PAC contributions to \$1,000; toughen bundling rules; ban personal use of campaign funds; increase disclosure and accountability of those who engage in political advertising and restrict the use of soft money.

*5 month answer in N.H.  
Vote in month in Senate  
Sign/marty -  
Susan Brophy.*

*Pros moving on with McCain Kerry and Thompson*

*Emily's*

**Reinventing Government.**

Under the Vice President's National Performance Review, the Clinton Administration has cut 16,000 pages of unnecessary rules and regulations and cut the Federal workforce by 205,000 employees, making it the smallest in 30 years.

President Clinton feels strongly that never again should a public servant threaten the full faith and credit of the United States and no public servant should ever again shut down the government of the United States.

Federal workers who remain are working harder and delivering better value for less money. In the coming weeks the Administration will be pursuing even more initiatives for governing with less resources. The guiding principle behind these initiatives is the need to manage government in a way that rewards performance and not red tape.

Critical to this goal will be the following initiatives: transforming the federal work force via Civil Service Reform, transforming certain government organizations into Performance Based Organizations, reinventing federalism via the establishment of more Performance Partnerships with States and localities, transforming the regulatory agencies in the federal government in order to improve compliance, and establishing specific, widely publicized customer service standards for those American citizens who interact with the federal government.

**Executive Order To Revoke Federal Contracts Of Businesses That Hire Illegal Workers.**

The President is preparing to issue an Executive Order that is intended to ensure that Federal Government contracts are not awarded to companies that employ illegal workers. Consistent with federal law prohibiting such employment, this order provides for debarment of any federal contractor who knowingly employs illegal workers thereby depriving U.S. legal workers of opportunities to hold those jobs. Unfortunately, this does occur. A recent INS enforcement action, Operation SouthPAW, found that illegal aliens were employed in the construction of a federal building in Atlanta. Nothing in this order relieves employers of their obligations to avoid unfair immigration-related employment practices and to comply with all antidiscrimination requirements of applicable law.

THE WHITE HOUSE

Office of the Press Secretary

Internal Transcript

January 30, 1996

TELEPHONE INTERVIEW OF THE PRESIDENT  
BY NEW HAMPSHIRE NEWSPAPERS

12:27 P.M. EST

THE PRESIDENT: Hello?

Q Hello, Mr. President.

THE PRESIDENT: How are you?

Q Good. Yourself?

THE PRESIDENT: I'm fine. It's nice to hear your voices. Looking forward to being up there this weekend. Who is going first?

Q I'm sorry, we thought you were going to talk about the trip first.

THE PRESIDENT: Oh, no. I think you know about the trip. I'm looking forward to being up there. I'm going to be there Friday and Saturday, and I'm looking forward to just kind of being with people and having a chance to visit. You know, I'm going to Concord, Nashua, Manchester and Salem, I think -- if my memory serves me right, this trip. And then I'm coming back for another before the primary.

Q Four years ago when you were up here, you know, it was "The economy, stupid." The economy is better today, but real incomes continue to decline in New Hampshire and the rest of the country. Given the current make-up of the Congress and limited resources, what can you realistically do about underemployment and declining wages if you're re-elected?

THE PRESIDENT: Well, I think even this Congress and certainly if I am re-elected in this election, the new Congress, whether it's a majority Republican or whether it goes back to the Democrats or changes its composition will respond to the results of the election.

And I do believe -- I want to kind of only slightly recast what you said. I think what you said is absolutely right. America had, in 1992, two economic problems. One was a weak overall economy and high unemployment. The other was a long-term trend toward stagnant wages, greater inequality, greater worker insecurity.

In the first three years we have addressed the first question. We got the deficit down, we've invested more in education and training, we've expanded trade, we've done things to help generate more jobs. And in New Hampshire, when I issued my economic plan, I said I thought we could get 8 million jobs in four years. It looks like we're going to have about 8 million jobs in three years. And there's been a big decline in unemployment.

But the income issue is what we now have to face. And I believe that there are several things that we can do and that I would hope the Congress will do no matter what its make-up is. Number one, we need to provide more ability for people to educate themselves. We need to pass the education deduction for college costs that I proposed, letting people deduct up to \$10,000 a year for education. Number two, we ought to keep the direct loan program, which is easier to get and easier to repay, and we ought to expand work-study for college and the merit scholarships.

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Number three, we ought to make it easier for people who lose their jobs or who are grossly underemployed to access training help. I have proposed collapsing 70 different federal training programs that now I think do marginal benefit and just giving workers who lose their jobs a voucher from the federal government worth up to \$2,600 a year for up to two years so they can take to the local community colleges or whatever other institution would best meet their education and training needs.

Then, let me just mention two or three other things. I think we can help secure the incomes of working families if we make health insurance more available through insurance reforms, so that you can't lose your insurance if you change jobs or if someone in your family gets sick. And I think that we ought to make it easier for people who work for small businesses, because that's one of the big problems with worker insecurity. More people are going to work for small firms that have less benefits and that they think has less stability. We should make it easier for small businesses to provide pensions for themselves and their employees. These things -- all of these things will help to deal with the income problems.

Then, over the long run, I think that we have to raise the whole level of education of younger people coming up, which is why I have suggested that we provide access to the Internet in every classroom and library in America by the year 2000 and do other things that will move all of our young people into at least two years of post-high school education.

And, finally, let me just mention two other things. We've got to raise the minimum wage. That affects not only minimum wage workers, but people just above the minimum wage. The minimum wage will be at a 40-year low within a year if we don't raise it -- a 40-year low. And it's just wrong not to do it, especially with unemployment low.

And the last point I want to make is that there are some of these things the government cannot do. We need to look at the best corporations in our country, the most successful ones that are sharing the benefits of their prosperity with their employees, that are not throwing employees into the street when they don't have to, that are trying to educate their employees, that are trying to help them when they do have to leave the company.

And all of America's employers need to be challenged to follow the model of the best of America's employers. There are companies in this country that are proving that you can make money, you can make lots and lots of money and still do the right thing by your employees and let them share in the benefits of prosperity.

So we're going to have to have a little bit of change in our values, as well as change in government policies to overcome this anxiety among working families.

Q Okay, I guess I'm next. Just a quick reaction to the polls that show Steve Forbes running such a heavy second in the Republican primary. How would you like to face him in a general election?

THE PRESIDENT: Oh, that's up to the Republicans. They have to make that decision. But, you know, he's got a lot of money and he's got a clear message

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out there, and he's put a lot of funds behind it. And the Republican primary this year seems to be a little more oriented toward television than, I think, ours was four years ago where, you know, I focused more on grass-roots campaigning with people in New Hampshire and putting out -- also printed versions of an economic plan for the country.

So I don't really know what's going to happen because the problem is if your campaign is really media-driven it can go up and down in a hurry. I just don't know what's going to happen. I'm interested in it, you know. I'm watching it, but I don't have an informed opinion.

Q Any feeling about dealing with him as a contender?

THE PRESIDENT: No. I mean, I'm going to run my race on my agenda, my positive agenda that I outlined in the State of the Union address and that I have been talking about all along. And I will be glad to contest whichever candidate is chosen by the Republicans. That's their job, not mine.

Q What is your view -- back in '92, when Jerry Brown was proposing a flat tax I remember it being dubbed kind of a crazy idea. Republicans are taking it seriously. But, more importantly to you, I think, the independents are very interested in this because Steve Forbes is doing very well among independents in New Hampshire. What would be your comeback to a flat tax proposal? What do you see as its faults, what do you see as its strengths? Does it have any chance of ever getting into to law or a major revamping of the tax code in a second Clinton term, or some variation thereof? What's the future on the tax front?

THE PRESIDENT: I'll say what I think the faults are, what I think the strengths are, and what I think we really ought to be focusing on here.

First of all, the main appeal of the flat tax is twofold, I think. People think that it's simple and fair, it has simple and fair appeal when you first hear about it. And people think the present tax system is too complicated and too unfair. And then the second thing is some people believe it will also help to grow the economy by having a lower overall tax rate. Those are the two arguments for the flat tax.

The negatives that I see are essentially twofold. Number one is that the proposal is, as designed, most of them really would run a huge, huge deficit. And, number two, if you fix it so they don't run a deficit, every proposal I've seen raises taxes on Americans with incomes below \$100,000. So it would aggravate the question that I was asked earlier about inequality in the work force.

And I have literally seen no proposal -- and I've instructed the Treasury Department here to work hard on these things, to try to analyze and to try to come up with alternatives to try to find a way that we could just simplify the system and make it easier for Americans to deal with that would make it -- that would still be fair and that would not increase the deficit. We don't want to go back and explode the deficit again. So that's what I think the problem is with the flat tax.

Now, let me say I have tried very hard to make the present system more fair. We reduced taxes for the hardest pressed working families. Now taxes for all

families with incomes of \$27,000 a year or less are lower now than they were in 1992. We provided some tax relief for small business. And we have proposed, obviously, a children's tax credit and a tuition tax deduction in this present budget debate, which would make the tax system fairer.

We have also worked real hard to try to make the tax system easier for people to deal with. You can see how desperate people are for a simple tax system when you look at the fact that today well over half of all the filers today just take the standard deduction and take the 15 percent tax break right now. So that shows you how much hunger there is for a simple tax system. And we've made it possible for more people to file electronically, we've made it possible for more people to file by telephone, we've made it possible for more people to file their state and local -- their state and federal income taxes together in the states that have a state income tax.

And we are working on some other things. I'm even looking at other countries to see if there are other countries that have simpler systems that we might adopt part of. But I think that -- where I would draw the line is, I'm not going to do something that will explode the deficit again. And I have no intention of doing anything that will increase the tax burden on the vast majority of the American people who are having trouble making their ends meet now. And that's the real problem with the flat tax. It sounds great, but nobody's come up with a specific plan that overcomes those two objections.

Q Both you and the Republicans talked about letting voters decide in November between two philosophies of government, particularly if there's no budget deal. In your mind, what are voters deciding between?

THE PRESIDENT: Well, first of all -- I want to answer that question, but let me make a reference to the budget. The voters will make that decision regardless. I think they now can see there are two very different views of how we're going to go into the future. But that is not a reason not to have a budget deal. We have identified savings in common that are more than enough to adopt a credible balanced budget plan in seven years as scored by the Congressional Budget Office. And we owe it to the American people to do that.

And that's why I implored the congressional leaders to continue to work with me on it and to put aside the areas where we can't reach agreement and let the voters make their judgments on it. But we can clearly pass a seven-year balanced budget scored by the Congress, as such, that will lower interest rates, keep the economic recovery going, generate more jobs, and in lowering interest rates also make it easier for Americans to make their house payments, their car payments, their credit card payments, and give a sense that we're going into the future with discipline, determined to live within our means. So I think it's very important to go ahead and make this agreement, and I hope we will.

Now, in terms of the differences, I think the principal difference the American people will have to come to terms with when they look at all the specific differences between us, whether it's over Medicare or Medicaid or the commitment to environmental protection or how much we should invest in education or maintaining our crime bill with putting 100,000 police in the streets when it's plainly lowering the crime rate to do that -- the American people will have to decide whether they believe that the most important thing is to continue to weaken the government and lower taxes and get the government out of

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their lives so that they can deal with the problems that they face unencumbered by government -- or whether they -- which is basically the Republican line, that the market will solve our problems if the American people can negotiate the market well.

Or whether they believe that there are a lot of problems we have, a lot of challenges we face, a lot of opportunities we face that can only be dealt with successfully if we deal with them together as a community. And that the government has a role to play -- not a big government that tries to solve all their problems, but a government that helps solve problems at the community level -- like fighting crime and maintaining a clean environment -- and a government that helps people to make the most of their own lives with things like the college loan program, the Family and Medical Leave Act, the National Service Program.

So I think -- to me, that is the major decision the American people have to make. Are we going forward as a community, solving our problems together where government is a partner -- it's a smaller government, a more entrepreneurial government, a government that focuses on empowering people and reinforcing community efforts -- or would it be better to continue to weaken the role of government and basically say to people, you need to figure out how to solve these problems and go forward and you can fend for yourself, but at least the government won't be an obstacle for you.

Now, I believe that we have to have a lot more personal responsibility from our citizens, as I said in my State of the Union address and as I have repeatedly said since I first came to New Hampshire. But we have evidence that we have both now. We have more personal responsibility and community efforts beginning to work. I mean, you've got -- in the last three years you had the crime rate, the welfare rolls, the food stamp rolls, the poverty rolls and the teen pregnancy rate beginning to come down. And they are coming down because of the assumption of more personal responsibility and because of community efforts in which government plays a role. That's the argument that I made four years ago and it's the argument I going to make again. That we have to have opportunity, responsibility and government as a partner.

Q All right. Thank you.

Q Public Broadcasting System tonight, on "Front Line," is going to air a program entitled, "Who Wants To Buy A President?" Isn't part of the cynicism that is out there about towards both political parties, at least partly grounded in the fact that leaders in both parties have talked about banning soft money, have talked about reducing the roles of PACs, have talked about requiring candidates to raise money within their own districts? Since the Watergate era, Congress and the President of both parties have been talking about changing the system, yet it hasn't. Are you going to invest a lot more of your effort in the second term if you're elected again to change that system we now have?

THE PRESIDENT: I am if we don't succeed in changing it this year, you know. We've got a bipartisan bill on campaign finance reform. And I think it would help to improve things. The other change I think that needs to be made that you didn't mention is I believe we need a national version of the New Hampshire primary system -- the old New Hampshire primary system where you had to show up, shake hands, go to town hall meetings and answer people's questions directly.

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And the only way to get that is if the networks are required to give some free time to candidates, or local stations are required to give some free time to candidates where the community people can show up, or representatives of the community people can show up and ask them questions directly. I'm convinced that one of the reasons that I was elected in '92 is that I did more town meetings than anybody else and I let ordinary people ask me questions, whether they were embarrassing or difficult or challenging. I just did it.

We got huge crowds because people felt like they were participating in it. It happened first and most powerfully in New Hampshire, and then it happened all across the country. And then we had to begin to do it on television where we'd bring in people who could basically stand in for all the citizens who weren't there.

And so I think an important part of campaign finance reform is having some sort of free air time that isn't a set of 30-second ads designed to convince people how bad your opponent is. And I think it's quite important. But I wouldn't rule out the possibility that we could pass such a bill this year. I thought we were going to get it last year, and there were just so many other things on the agenda it got crowded out.

And I would also say -- let me say one good word for this Congress. By overwhelming bipartisan majorities, this Congress passed two of the laws that were on my political reform list when I ran for President. One is to apply to Congress the laws that the Congress applies to the private sector, which your former Congressman Dick Swett was a big leader in. And the other was to reform the lobby laws to limit gifts and to require greater disclosure. And both those things passed. They were good laws. And Congress deserves credit for that, they did that.

There are two items outstanding. One is campaign finance reform, and the other is the line item veto. And I think Congress should pass both of those this year, and I hope they will.

Q What kind of components would any bipartisan bill have to have, just basic --

THE PRESIDENT: Well, I think the things that you mentioned. There ought to be some limit on PACs, there ought to be some limit on soft money and there ought to be some mechanism for greater access to air time.

And it's interesting, the individual contributions in real dollar terms are less than half of what they used to be. I mean, the \$1,000 limit in federal races, for example, has been the same since 1974. So individuals actually have less influence now, arguably, than they did in 1974 -- quite a bit less in terms of the maximum contribution you can give. But what that has done, in a perverse way, is to make the PACs even more influential.

Q Thank you.

THE PRESIDENT: And so -- I think there needs to be some change there. And I think the soft money issue would not be nearly the issue it is, if in the presidential races and all the other races, there were opportunities for free air time and honest debate and discussion. That would remove a lot of the pressures that put soft money into campaigns and squeeze them out the other side. Then you would have -- people would have much more of a direct shot, you could limit that soft money and

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never have a second thought about it.

Q Thank you.

Q The President of France is coming to the United States later this week and they just cut short their nuclear testing program. Do you see any hope for a worldwide, sort of, ban on this or any action in that direction at all?

THE PRESIDENT: Oh, I certainly hope so. I'm looking forward to the State Visit and I was very pleased when the President announced that they were through with their nuclear testing and that he would support a comprehensive nuclear test ban treaty. That is one of my major goals for this year in foreign policy. We just ratified the START II treaty, just last week the Senate ratified it here in Washington. And if the Russian Duma, the Russian parliamentary body will ratify it we will be able to say that we have now cut the Cold War arsenals by two-thirds.

The next big step in this is to achieve a comprehensive test ban treaty. And with France coming on now and supporting it, I think if we can -- and the Prime Minister of Russia is here today -- if we can get the Russians behind it, the other Europeans behind it and the Chinese will agree to support it, I think we can achieve a comprehensive nuclear test ban treaty this year and that would be a very good thing and it would really, I think, increase the security of the American people.

Q Mr. President, any voluntary action on my colleague's question that might be taken during this presidential general election on your part and perhaps calling on whoever the nominee of the Republican party --

THE PRESIDENT: Yes. Well, of course, the United States has given up nuclear testing. We have tried to set a good example. We have urged all of our friends and allies to do the same. And we are working hard now on this treaty. We believe there's a good chance we can get this treaty this year, and I would hope that all of the Republican nominees would endorse that approach.

We think we've found a way to preserve the integrity of our nuclear stockpile without testing. We feel confident that we've done the right thing for America's security, and it's just plain that the world needs to move to this. This is another big milestone in our effort to make the world a safer place. And I would hope that all the Republican candidates would agree with that and would support that. This ought to be America's position. This ought not to have a partisan tone to it.

Q I think he was talking about campaign --

THE PRESIDENT: Oh, I'm sorry.

Q I appreciate your answer there, but I was -- on the campaign financing you have much to say on that and perhaps even if legislation were not able to be passed, perhaps there's some sort of a voluntary effort that could make on the part of --

THE PRESIDENT: I think if all sides would make it, they could do it. I think it's wrong for one side to ask the other one to unilaterally disarm. And particularly if there is no access to the air waves to offset it. The soft money problem -- I will say again, the parties could go out and they could build parties at the local level in small contributions of \$10 and \$25, and \$100 a piece if we could get back to grassroots politics.

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And the way to do that is to have more media in campaigns, of all kinds, devoted to, in effect, using the electronic -- the airwaves to recreate the town hall meetings that drive, at least drove my campaign in New Hampshire, and that I think drove millions and millions of people into the political process in 1992. Then you can take away that soft money. The soft money is in there, basically, to allow parties to deal with a media reality and an organizational reality in which people feel disconnected.

So I think putting the -- getting the airwaves in there, and limiting the influence of PACs and increasing the influence of individuals will -- could literally, make the soft money counterproductive. And it ought to be curtailed, but it ought to be done in the context of these other changes being made.

Q Mr. President, maybe moving on to welfare reform, what changes to the Senate welfare bill would be necessary to gain your approval?

THE PRESIDENT: Well, let me say, first of all, that Senate welfare bill was -- had a lot of very good things in it when it passed. There were some things in it that I disagreed with. I thought that -- and I believe that in our negotiations over the budget, we've made some progress.

For example, in trying to get some more money into child care. If you want to require people to go to work from welfare -- which I think should be done -- when people can work they ought to go to work -- you want them also to succeed as parents. So if they have to take low wage jobs where they don't have a lot of disposable income, it's important to have an adequate amount of child care.

When the Senate bill passed, even the people who supported it recognized that it needed more child care money. The other issue is that are a lot of things, even in the Senate bill, that were designed more to balance the budget than to promote welfare reform. And one of them dealt with supplemental security income eligibility, for example, for families with children with disabilities. And I think that -- I believe there's broad agreement among the Republicans and the Democrats that there ought to be some changes there.

So those are just two areas where I would like to see some improvement. But the framework of the Senate welfare Reform bill, and its focus on work, responsibility, children, and giving states more control of how to do welfare reform, is the right framework. That's the way we ought to be going. I'd just like to see some changes in these areas that we have had good discussions about with the Republicans, and I think they're open to it.

Q Mr. President -- very much.

THE PRESIDENT: Thank you.

Q Thank you.

Q Thank you.

Q Thanks a lot.

THE PRESIDENT: Goodbye.

END

12:45 P.M. EST