

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Michael Waldman to Panetta & Ickes re: Campaign Finance Reform- Other Options (1 page)	3/29/95	P5

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Bruce Reed (Subject File)
OA/Box Number: 21207

FOLDER TITLE:

Political Reform-1995

cs69

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfiled in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

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**This marker identifies the original location of the withdrawn item listed above.
For a complete list of items withdrawn from this folder, see the
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PRESIDENT CLINTON'S POLITICAL REFORM AGENDA

Proposals discussed in the State-of-the-Union Address

SUMMARY

In the State-of-the-Union Address, President Clinton advocated strong political reforms to reconnect the government with the people. These are based on the proposals he made during the 1992 presidential campaign:

- a challenge to Members of Congress to give up gifts and perks from lobbyists -- and then to pass legislation outlawing the practice.
- lobby reform legislation
- campaign finance reform legislation based on the idea of free TV time for candidates

THE PROBLEM

Americans no longer trust their government. They believe that the political process elevates the voices of narrow interests over the national interest. And they are demanding genuine change in the way Washington works.

In his first two years in office, President Clinton has pursued a wide-ranging political reform agenda. He imposed the toughest-ever ethics code on his appointees, requiring top officials to sign a pledge that they would not lobby their agency for five years after leaving government, and that they would never lobby for a foreign government. His 1993 budget closed the tax provision that allowed corporations to deduct the costs of lobbying expenses. He signed the Motor Voter law, increasing voter registration. And he has taken concrete steps to bring the government closer to the people -- cutting the White House staff by 25%, eliminating executive dining rooms, and curbing the widespread use of government limousines. He has called for tough campaign finance and lobbying reform legislation. Unfortunately, those reform bills failed to pass the last Congress.

But more must be done.

- Washington has 3 times as many registered lobbyists, and 6 times as many PACs, as two decades ago. Interest group profusion is spiralling out of control. By one estimate, the "influence industry" now employs 90,000 people in Washington -- a number that would overflow RFK stadium and USAir Arena combined.
- Campaign spending continues to soar, giving big money an even

bigger role on our democracy. In 1994, spending increased 23% from the last mid-term election four years ago.

- The "influence industry" unduly affects policy, to the detriment of middle class Americans. According to *Newsweek*, opponents of health reform spent \$300 million to block reform, with the result that millions of Americans continue to lack insurance coverage.

- The special interests haven't left town since November 9. Already, earlier this month, according to *Roll Call*, tobacco lobbyists have been handing out invitations to Senators for a golf and tennis weekend in Palm Beach.

PROPOSALS

Banning gifts from lobbyists

Members of Congress should immediately stop taking gifts, meals, travel and entertainment from professional lobbyists. Congress should then pass legislation outlawing the practice. This proposal passed both chambers of Congress last year -- it received 95 votes in the Senate -- but died when the overall lobby reform bill was successfully filibustered at the end of the 103rd Congress.

Lobby disclosure

The current lobby disclosure laws are antiquated and contain numerous loopholes that allow professional lobbyists to avoid disclosure.¹ Passed in 1946 and virtually untouched for almost 50 years, the lobby disclosure law has been called by *Congressional Quarterly* "a patchwork of loopholes that has been widely ignored for decades." In 1993, the Department of Justice called the law "unenforceable."

President Clinton believes that Congress should quickly act on lobbying legislation that:

- Requires all professional lobbyists to register, including those who lobby the executive branch. (Current law only requires those who lobby Congress to register.
- Requires professional lobbyists to fully disclose who pays them and

¹ 2 USC 261 et. seq.

how much they are paid -- including the membership of Washington coalitions that disguise their expenditures by paying lobbyists.

Requires professional lobbyists to disclose with specificity their interest (e.g., supporting or opposing a specific bill).

Lobby reform should not get sidetracked once again by provisions -- in particular, the grassroots lobbying provision -- that were seized on by some as a reason to oppose last year's bill.

Campaign finance reform

Campaign finance reform is central to any effort to change the money culture in Washington, renew politics, and give the government back to the American people. The public rightly believes that big money has too much influence on elections; that PACs give ten times as much to incumbents as challengers because they are seeking to influence policy; and that lobbyists and narrow interests have overwhelmed Washington. At the same time, voters are disgusted with contentless campaigns that throw mud instead of shedding light.

Campaign finance reform has been stalled by partisan fighting and by controversies over public financing. President Clinton calls on Congress to break through the gridlock and enact balanced, credible legislation.

Free television time for candidates who abide by voluntary spending limits.

One reform would do the most to enhance democracy, connect candidates with voters, diminish the need for fundraising from special interests, and level the playing field between challengers and incumbents: requiring broadcasters to provide free television time for bona fide candidates who abide by spending limits.

Broadcast costs are the chief factor in rising campaign spending. Today, at least 40% of all political campaign expenditures -- and up to 75% in some markets -- are spent on media advertising. By one estimate, candidates spent \$350 million for last November's election, a 17% increase in two years. Requiring broadcasters to play their part in democracy by giving candidates free time is an appropriate condition for their public license.

Free TV was advocated by President Clinton as a candidate in 1992, and has been supported by Ross Perot and by a bipartisan panel

brought together by Sens. Mitchell and Dole in 1991. The administration believes that proposals already introduced should be the basis for bipartisan compromise:

Senate -- Legislation introduced by Sen. Robert Dole² would require each broadcaster to provide 5 hours of time to be divided among candidates. This would be split among major party candidates; minor party candidates would be eligible for free time in a reduced amount.

House -- The strongest proposal for free TV time for House candidates has been introduced by Rep. Thomas Bliley, chair of the House Commerce Committee.³ It would require licensees to give 2 hours to the state committee and 2 hours to the national committee of the major parties, to be parcelled out by them to candidates as they see fit. This would address the major complication for any broadcast reform proposal: the few markets where as many as 40 candidates use the same broadcast market.

The administration believes that this time should be used to improve the quality of debate and break the hegemony of the 30 second attack ads.

- Candidates who accept free time should be required to debate.
- The television time would be made available by the station in the form of interviews, speeches, town meetings, or other formats that involve the candidate talking to the camera.

Spending limits should vary by size of state for Senate races; the spending limit should take into account the value of free TV.

Sharp limits on contributions from PACs

Political Action Committees should be limited in their giving to \$1000 per election per candidate -- the amount an individual can give -- down from \$5000 today.

² S. 7, 102d Cong., 1st Sess., section 501.

³ H.R. 2161, 102d Cong. 1st Sess.

Ban on contributions from lobbyists

As the administration urged in the 103rd Congress, lobbyists should be barred from giving campaign contributions to, or raising funds for, the lawmakers they contact for one year following the contact. Similarly, the lobbyist would be barred from lobbying the lawmaker within one year after the contribution. In addition, strict bundling rules should be enacted to ensure that the limits on PAC and individual contributions are not effectively evaded.

Self-financing candidates

In a democracy, individuals should not be able to try and buy public office -- and non-wealthy individuals should not be "priced" out of running for office. Yet today, wealthy individuals can give their own campaigns huge, unlimited contributions. President Clinton supports capping the amount that a congressional candidate can contribute or lend to his own campaign.

Soft money

The administration's soft money proposal, passed by both chambers in the last Congress, should be the basis for soft money reform.

- The legislation bans the use of soft money in federal elections and for national party committees except for narrow purposes (e.g., for transfer to state parties).

- All state party grass-roots activity that benefits federal candidates would be conducted through state party Grass Roots Funds. These committees would be funded only through "hard money," raised and disclosed under federal limits (i.e., no direct corporate or union treasury money).

- Individuals would be able to donate up to \$60,000 per cycle; within that aggregate limit, individuals can donate up to \$25,000 to candidates, and \$20,000 to the national party committees and to state party Grass Roots Funds.

Polit Reform - '95

THE WHITE HOUSE
WASHINGTON

January 23, 1995

MEMORANDUM FOR THE CHIEF-OF-STAFF
GEORGE STEPHANOPOULOS
MARK GEARAN
MIKE MCCURRY
PAT GRIFFIN
CAROL RASCO

FROM: MICHAEL WALDMAN *MW*

SUBJECT: POLITICAL REFORM PROPOSAL "WHITE PAPER"

Attached is a document outlining the administration's political reform proposals that are likely to be discussed in the State-of-the-Union.

These proposals have been approved by the President (in a meeting in November) but not yet been publicly released by the administration. They are all, in effect, a restatement of positions previously stated during the 1992 campaign.

The argument for releasing these tomorrow is that it is a way to release the proposals in a way that will get some coverage -- but will certainly not dominate coverage -- without scooping the rest of the speech. We do not now have another logical window on the schedule for the release of our political reform proposals . . . and I think it's a little strange to keep talking about these matters without a finalized, public proposal.

The argument against releasing them is that they conflict, in some way, with the intended news story and themes. That is beyond my purview.

cc: Bruce Reed
Bill Galston
Paul Weinstein
Clifford Sloan
Ginny Terzano

draft 1/23 6 pm

PRESIDENT CLINTON'S POLITICAL REFORM AGENDA

*Proposals discussed in the State-of-the-Union Address
Embargoed until 9:00 PM, January 24, 1994*

SUMMARY

In tonight's State-of-the-Union Address, President Clinton will advocate strong political reforms to reconnect the government with the people. These are based on the proposals he made during the 1992 presidential campaign:

- a ban on gifts from lobbyists to Members of Congress
- lobby reform legislation
- campaign finance reform legislation based on the idea of free TV time for candidates

THE PROBLEM

Americans no longer trust their government. They believe that the political process elevates the voices of narrow interests over the national interest. And they are demanding genuine change in the way that Washington works.

In his first two years in office, President Clinton has pursued a wide-ranging political reform agenda. He imposed the toughest-ever ethics code on his appointees, requiring top officials to sign a pledge that they would not lobby their agency for five years after leaving government, and that they would never lobby for a foreign government. His 1993 budget closed the tax provision that allowed corporations to deduct the costs of lobbying expenses. He signed the Motor Voter law, increasing voter registration. And he has taken concrete steps to bring the government closer to the people -- cutting the White House staff by 25%, eliminating executive dining rooms, and curbing the widespread use of government limousines. In addition, he supported tough campaign finance and lobbying reform legislation. Unfortunately, those bills failed to pass the last Congress.

The underlying need to reform politics has not changed.

- Washington has 3 times as many registered lobbyists, and 6 times as many PACs, as two decades ago. Interest group profusion really is getting worse. By one estimate, the "influence industry" now employs 90,000 people in Washington -- a number that would overflow RFK stadium.
- Campaign spending continues to soar, giving big money an even bigger role on our democracy. In 1994, spending was up 23% from

the last mid-term election four years ago.

- The "influence industry" affects policy, to the detriment of the middle class. Opponents of health reform spent \$300 million to block reform, according to *Newsweek*.
- The special interests haven't left town since November 9. For example, earlier this month, according to *Roll Call*, Phillip Morris lobbyists handed out invitations to Senators for a golf and tennis weekend in Palm Beach.

PROPOSALS

Banning gifts from lobbyists

Congress should enact legislation that bans professional lobbyists from giving lawmakers and their staff gifts, expensive meals, vacations, travel and entertainment. This proposal passed both chambers of Congress last year -- it received 95 votes in the Senate -- but died when the overall lobby reform bill was successfully filibustered at the end of the 103rd Congress.

Lobby disclosure

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- Requires professional lobbyists to fully disclose who pays them and how much they are paid -- including the membership of Washington coalitions that disguise their expenditures by paying lobbyists.
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Soft money

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