

on that motion, then Senators should be prepared to vote on the motion by early afternoon. Regardless of that, Senators should expect votes with respect to the highway bill throughout the afternoon and into the evening. There is still the possibility of votes on Friday, and I hope there will be votes Monday.

I hope that there will not be the necessity for a vote on the motion to proceed to the highway bill. Everybody understands it is very important. There are a lot of amendments pending we need to be working on in order to complete action in the Senate in a reasonable period of time so that we can have it done, and hopefully through the conference, well before the May 1 date.

There are negotiations, discussions that have been underway. No agreement has been worked out. Any understanding that is worked out would still have to be, obviously, considered and debated and voted on by the full Senate. But I believe we are making good progress. The time that we have had for the last month has been, I think, beneficial, but it is time we go forward on this.

I encourage Senators to get their amendments ready. There are a lot of amendments, other than funding amendments, that really need to be debated. I hope that they will be prepared to offer them this afternoon and on Friday. Let us get underway.

With that, I yield the floor, Mr. President.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

CAMPAIGN FINANCE REFORM

Mr. MCCONNELL. I want to thank the distinguished majority leader for his superb leadership and for helping us pick our way through the mine field of campaign finance one more time. He has truly been outstanding. I just wanted to tell him how much I and the rest of the 48 of his party who believe deeply in the first amendment appreciate this, and for his leadership on this subject.

Mr. LOTT. Thank you very much.

Mr. MCCONNELL. I also want to thank Alison McSlarrow from the majority staff who has been outstanding. We were sitting over here talking about the stress factor on this issue as it arises. It seems like a bad penny that keeps coming back. We have had a chance to get to know each other well and deal with each other a lot on this issue. Alison, I wanted to tell you what a wonderful job you did.

Mr. CRAIG. Will the Senator yield?

Mr. MCCONNELL. Yes, I will yield.

Mr. CRAIG. I thank the Senator for yielding.

I want to speak only briefly, Mr. President.

Mr. CRAIG. Mr. President, a few weeks ago I had the privilege of being with Senator MCCONNELL when he re-

ceived a "Legislator of the Year" award from a national organization that recognized how critical his leadership on campaign finance reform is. This is an organization that has a large broad-based membership of individual God-fearing, constitutional Americans who recognized, as most of us do, that what we have here and what was debated over the last good number of days was a way of reshaping the Constitution and our basic rights as citizens in this country. You stood up and said: No, it isn't going to happen. It will not happen. We are going to agree with the courts and we are going to keep our citizens free to express, at will, their political thoughts.

So let me thank you for the kind of leadership you brought. Clearly, while it may go unrecognized by many, this was a phenomenally significant vote for the country and for our citizens. And I thank you for that.

Mr. MCCONNELL. I thank my good friend from Idaho for his overly kind observation about my work on this issue. I thank you so very much.

I also want to thank my longtime ally in defense of the first amendment. We have worked together for 10 years now, Tam Somerville and I. She is from the staff, who is also in the stress reduction program, along with Alison McSlarrow and myself, as this matter pops up from time to time. Thank you again for your outstanding service to the country in helping us protect our ability to participate in the political process. And Lani Gerst, of my staff, who assisted Tam, has done yeoman's service. I thank her as well.

I yield the floor.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

(The remarks of Mr. D'AMATO and Mr. GRAHAM pertaining to the introduction of S. 1682 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Florida is recognized.

PRIVILEGE OF THE FLOOR

Mr. GRAHAM. Mr. President, I ask unanimous consent Lory Zastrow and Jeff Pegler of my staff be accorded floor privileges for the duration of my comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. I thank the Chair.

CAMPAIGN FINANCE REFORM

Mr. GLENN. Mr. President, I rise today to speak about some of the events on the floor here over the last couple of days. I think perhaps sometimes we need a different yardstick by which to judge some of these votes.

We have now in effect, I guess, unless this campaign finance legislation is hooked onto some other legislation as

we go ahead with our legislative activities of this year, that it is probably dead for this year. I hate to say that. I want to give a speech on some of the outcome of our campaign finance reform hearings that have been taking place in the Governmental Affairs Committee most of last year. I was unable to get over and give this at the appropriate time before the votes that we have had but still want to talk about this a little bit.

I think sometimes on controversial votes, which these are, that there is a different basis that we should be looking at instead of just the party line, just party loyalty and voting down the line with those party leaders who have a particular view. Those views, too often, affect just the political interests of the amendment. How much money are we going to be able to get for this next election? That is the basis on which votes seem to occur. That is a very short-term view of things.

Now, on some of these controversial votes I think there is another way to decide. It is what I call the "grandchild test"—the "grandchild test."

What you should do on some of these votes, I think, is think of what you would like the ideal political system to be when your grandchildren have grown up and long after most of us will have left the Senate of the United States. What kind of law do you want to see in place that deals with them fairly? What kind of law do you want to see in place that makes them feel that their voice is heard in Government as much as those who can contribute millions or at least hundreds of thousands of dollars worth, to get their voices heard? This may be after Democrats have reclaimed the Senate and the House and there is a Republican President. Who knows what the future situation may be.

But a "grandchild test" puts it on a little different basis, it seems to me. Do we want a system that is dominated by interests that may not favor your heirs, your children, your grandchildren? Do we want them to have to contribute hundreds of thousands of dollars to have their voice heard, to be treated fairly?

So the votes we have had over the past few days involve a matter of fairness, plain old fairness. In other words, fairness for all in our political system into the future. That is what the vote on McCain-Feingold was all about. Unfortunately, we cannot muster enough votes to overcome cloture. Although we had a majority of the U.S. Senate, the majority did not prevail because of the cloture that we would have been required to get to break a filibuster.

Mr. President, I welcome the opportunity to discuss the legislation today, the legislation we passed, because over the past year I have had the privilege of serving as the ranking member of the committee on Governmental Affairs' investigation into campaign finance. In the course of the investigation I have come to understand that

the existing campaign finance system is in shreds.

Campaign finance reform is no longer something that I feel should be delayed, as we have delayed it by the votes of the last couple of days. I think it is absolutely crucial that at the earliest time we pass legislation addressing the worst abuses, if we can hope to maintain the integrity of our electoral process and the confidence of the American public. Over the course of my Senate career, I watched as public cynicism about Government has increased and trust in Government has declined. In 1996 for the first time, less than half the people in this country eligible to vote cast a ballot.

To those who argue that the public doesn't care about campaign finance, it is clear from national polls that the public does care. Polls show that while over 70 percent of Americans want campaign finance reform, only 30 percent have believed it will happen. Three out of four people interviewed do not trust us in Washington to do what is right. That is three-quarters of the American people do not trust us to do what is right. What an indictment of our activities here in the Congress.

I can't think of a better way to halt that kind of cynicism than by doing the unexpected and passing campaign finance reform and by fixing the system that breeds the cynicism and undermines public confidence. Poll after poll has shown the biggest single factor in lack of public trust in Government is the campaign finance system. I want to express my appreciation to Senators MCCAIN and FEINGOLD for their leadership on this issue. Their bipartisan cooperation has pointed us in the right direction. I hope we can follow their example and pass this legislation, hopefully even later this year. I hope they will take the opportunity on later legislation to attach this legislation on to it as an amendment and we will have some more votes on this, perhaps with a different outcome.

We have a unique opportunity if we pass campaign finance legislation to restore faith in our American system and renew our commitment to the concept of Government for all of the people, all of the time—not a system where access to elected leaders is meted out according to campaign dollars received. That is exactly what we have now.

The legislation that we have had before us over the past few days takes key steps to correct the two worst problems, the proliferation of huge amounts of soft money and the explosion of calculated issue advertising which exists outside the reach of existing laws simply because it avoids a key term such as "vote for" or "defeat." But the proliferation of issue advocacy candidates are becoming footnotes in their own campaigns struggling to conduct substantive debates on issues of local importance against the din of millions of dollars of issue advertising by national interest groups.

One has only to look to the campaign to replace recently deceased House Member Walter Capps taking place in Santa Barbara, CA, to understand the significance of this problem. Just last weekend, the Washington Post carried an article about this campaign which noted that while the candidates tried to focus on education and fiscal issues, hundreds of thousands of dollars were spent by national groups airing ads on term limits and abortion, issues which both candidates agree are high among voter concerns in the district but which have drowned out the candidates' own attempts to focus on issues of concern in their district.

Almost every abuse examined in the course of the Governmental Affairs Committee investigation has its roots in the proliferation of soft money and of calculated political issue ads. For that reason, I want to say something about the recent Governmental Affairs Committee investigation from the minority's perspective and how it reflects on the committee's debate.

The founders of this country envisioned that American political discourse would be based on the power of ideas, not money, and that our elected representatives would be chosen by the principles for which they stand, not the amount of money they raise.

Unfortunately, elected officials in the United States have become so dependent on political contributions from wealthy donors that the democratic principles underlying our Government are at risk. We face the danger of becoming a Government of the rich, by the rich, and for the rich. We face the danger because candidates for Congress and the Presidency spent over \$1 billion on their 1996 election activities, according to an estimate by the Annenberg Public Policy Center. In order to raise that enormous quantity of money, some candidates and party officials push the campaign finance to the breaking point and some pushed it beyond. The abuses that occurred during the 1996 election exposed the dark side of our political system and underscored the critical need for campaign finance reform, as well as the need to enhance the ability of the Federal Election Commission to enforce campaign finance laws, which I will speak about later.

On March 11, 1997, the Senate voted unanimously to authorize the Governmental Affairs Committee to conduct an investigation of illegal and improper activities in connection with the 1996 Federal election campaigns. The Senate asked the committee to conduct a bipartisan investigation, one that would explore allegations of improper campaign finance activities "by all, Republicans, Democrats, or other political partisans."

Now this was a noble goal and there were widespread hopes that the committee would conduct a serious, bipartisan investigation, one that would investigate allegations of abuses by candidates and others aligned with both

major political parties. In the end, however, the committee's investigation provided insight into the failings of the campaign finance system, but it certainly did not live up to its potential.

Now the minority regrets the failure of the committee to expose the ways in which both political parties have pushed and exceeded the limits of our campaign finance system. Both parties have openly offered access in exchange for contributions. Both parties have been lax in accepting illegal or improper contributions. Both parties have become slaves to the raising and spending of soft money.

Now, the committee examined a host of 1996 election-related activities alleged to have been improper or illegal.

We heard from fundraisers, from donors, from party officials, from lobbyists, from candidates, and from government officials. We heard from a man, Roger Tamraz, a contributor to both parties. He admitted making 1996 campaign contributions for one reason—he wanted to obtain access to events held in the White House, period. He was willing to contribute hundreds of thousands of dollars to worm his way in there. In another instance, Buddhist Temple officials admitted reimbursing monastics for making campaign contributions at the temple's direction. Also, a wealthy Hong Kong businessman hosted the chairman of the Republican National Committee on a yacht in Hong Kong Harbor and provided \$2 million in collateral for a loan used to help elect Republican candidates to office.

Most of these cases when there was questionable foreign money, most of it was given back by Democrats and Republicans both. And there was a lot on the Democratic side; I certainly don't deny that. As soon as the taint was there, the money was given back. But not in this case. The debt of \$800,000 still has not been paid back. This example remains the best single, completely documented example of foreign money really being solicited and used in the 1996 campaign of anything that the committee looked at the whole year, Democrat or Republican.

The Committee's investigation exposed these and other incidents that ranged from the exemplary, to the troubling, to the possibly illegal. But investigations undertaken by the U.S. Senate are not law enforcement efforts designed to arrive at judgments about whether particular persons should be charged with civil or criminal wrongdoing, but, by Constitutional design, are inquiries whose primary purpose must be "in aid of the legislative function." Accordingly, the most important outcome of the Committee's investigation is the compilation of evidence demonstrating that the most serious problems uncovered in connection with the 1996 election involve conduct which should be, but is not now, prohibited by law. Or as Senator LEVIN has put it, the evidence shows that the

bulk of the campaign finance problem is not what is illegal, but what is legal.

The systemic legal problems and the need for dramatic campaign finance reform are highlighted in our Report and in the following summary.

In our democracy, power is ultimately to be derived from the people—the voters. In theory, every voter is equal; the reality is that some voters, to borrow George Orwell's phrase, are "more equal than others." No one can deny that individuals who contribute substantial sums of money to candidates are likely to have more access to elected officials. And most of us think greater access brings greater influence. It was this concern over linkages between money, access and influence—amid allegations that Richard Nixon's 1968 and 1972 presidential campaigns accepted individual contributions of hundreds of thousands, even millions, of dollars—that spurred Congress to enact the original campaign finance laws. While those laws have evolved over the 20 years since that time, the goals have remained the same: to prevent wealthy private interests from exercising disproportionate influence over the government, to deter corruption, and to inform voters.

Violations of the law's contribution limits and disclosure requirements have occurred since they were first enacted over twenty years ago. For example, corporations and foreign nationals prohibited from making direct campaign contributions have laundered money through persons eligible to contribute. Donors who have reached their legal contribution limit have channeled additional campaign contributions through relatives, friends, or employees. Indeed, the investigation of the 1996 elections was triggered by suspected foreign contributions to the Democratic Party allegedly solicited by Democratic National Committee ("DNC") fundraiser John Huang. Indictments and convictions have emerged involving contributors to both parties, including Charlie Trie, Maria Hsia and the Lum family on the Democratic side, and Simon Fireman, vice chair of finance of Senator Dole's presidential campaign, and corporate contributors to the campaigns of Representative JAY KIM of California on the Republican side.

The most elaborate scheme investigated by the Committee involved a \$2 million loan that was backed by a Hong Kong businessman, routed through a U.S. subsidiary, and resulted in a large transfer of foreign funds to the Republican Party.

I am not trying to hit the Republican Party harder than the Democrats. There was plenty of wrongdoing on both sides. That is the point. The point is that we need changes in the law.

While the Committee's investigation uncovered disturbing information about the role of foreign money in the 1996 elections, the evidence also shows that illegal foreign contributions played a much less important role in

the 1996 election than once suspected and was discussed quite widely in the media. Whether judged by the number of contributions or the total dollar amount, only a small fraction of the funds raised by either Democrats or Republicans came from foreign sources.

That doesn't excuse it. It was wrong. It should not have happened. But it didn't determine the outcome of the election. That is the most important point to make.

The committee obtained no evidence that funds from a foreign government influenced the outcome of any election. It was alleged that they might have affected the outcome of the 1996 Presidential election. There is nothing, either in the documentation from intelligence sources or in the briefings we received, that could document that.

So the committee obtained no evidence that funds from a foreign government influenced the outcome of any 1996 election, altered U.S. domestic or foreign policy, or damaged our national security.

That doesn't mean it was right.

The Committee's examination of foreign money brought to light an array of fundraising practices used by both parties that, while not technical violations of the campaign finance laws, expose fundamental flaws in the existing legal and regulatory system. The two principal problems involve soft money and issue advocacy.

It is beyond question that raising soft money and broadcasting issue ads are not, in themselves, unlawful. The evidence suggests that much of what the parties and candidates did during the 1996 elections was within the letter of the law. But no one can seriously argue that it is consistent with the spirit of the campaign finance laws for parties to accept contributions of hundreds of thousands—even millions—of dollars, or for corporations, unions and others to air candidate attack ads without being required to meet any of the federal election law requirements for contribution limits and public disclosure.

The evidence indicates that the soft-money loophole is fueling many of the campaign abuses investigated by the Committee. It is precisely because parties are allowed to collect large, individual soft-money donations that fundraisers are tempted to cultivate big donors by, for example, providing them and their guests with unusual access to public officials. In 1996, the soft-money loophole provided the funds both parties used to pay for televised ads. Soft money also supplied the funds parties used to make contributions to tax-exempt groups, which in turn used the funds to pay for election-related activities. The Minority Report details, in several instances, how the Republican National Committee deliberately channeled funds from party coffers and Republican donors to ostensibly "independent" groups which then used the money to conduct "issue advocacy" ef-

forts on behalf of Republican candidates.

Much was made the other day on the floor about the same thing happening on the Democratic side. That doesn't mean either one was excusable or right. But it happened, and it should not.

Together, the soft-money and issue-advocacy loopholes have eviscerated the contribution limits and disclosure requirements in federal election laws and caused a loss of public confidence in the integrity of our campaign finance system. By inviting corruption of the electoral process, they threaten our democracy. If these and other systemic problems are not solved, the abuses witnessed by the American people in 1996 will be repeated in future election cycles.

This will be only the beginning. All that will change will be the names, the dates, and the details, and the amounts will go up. We know that. As I said starting out, do you want your children or grandchildren to grow up in a system where their voices may not be heard in all of the venues of government because someone else bought their way in and has a bigger claim on the legislators' future than does your child or grandchild?

The federal campaign finance laws provide that candidates should finance their campaigns with so-called "hard dollars"—contributions received in relatively small dollar amounts from individual donors and political action committees. Soft money—which can be donated by individuals, corporations and unions and in unlimited amounts—is not supposed to be spent on behalf of individual candidates. And yet it is: Tens of millions of soft dollars are raised by the parties and spent, through such devices as "issue advocacy" ads, for the benefit of candidates. The soft money loophole undermines the campaign finance laws by enabling wealthy private interests to channel enormous amounts of money into political campaigns. Most of the dubious or illegal contributions that were examined by the Committee involved soft money.

The Committee's investigation also showed that the legal distinction between "issue ads" and "candidate ads" has proved to be largely meaningless. The result has been that millions of dollars, which otherwise would have been kept out of the election process, were infused into campaigns obliquely, surreptitiously, and possibly at times illegally.

The issue of soft money abuses is inevitably tied to the question of how access to political figures is obtained through large contributions of soft money. It is also tied to the question of how tax-exempt organizations have been used to hide the identities of soft money donors. A system that permits large contributions to be made for partisan purposes, without public disclosure, invites subversion of the intent of our election law limitations.

Despite a highly partisan investigation, the Committee has built a record of campaign fundraising abuses by both Democrats and Republicans. This record will hopefully be useful to the Federal Election Commission, the Internal Revenue Service and to the Department of Justice as they investigate the 1996 campaign. Most importantly, the Committee's investigation should spur much-needed reform of the campaign finance laws and strengthening of the Federal Election Commission. Congress should provide the Federal Election Commission with the necessary resources to significantly enhance its investigative and enforcement staff. Ultimately, the most important lesson the Committee learned is that the abuses uncovered are part of a systemic problem, and that the system that encourages and permits these abuses must be reformed not now, as a result of the legislative votes that we have had the last couple of days, sometime, and hopefully in the very near future.

The McCain-Feingold legislation that we are considering here today goes a long way to address these abuses. The bill rids the system of soft money, and brings "issue advertising" funded by corporate and union interests within the campaign finance system. The legislation also takes great strides towards creating a more vigorous enforcement mechanism in the Federal Election Commission.

Anyone who observed even an hour of the Governmental Affairs Committee's hearings in the campaign finance investigation over the past year, can have no doubt that the explosion of soft money, huge amounts received from corporations, unions, and individuals, has undermined the campaign finance system to the point where it does not work.

It is not fair for all of our people—which should be the objective, making our Government and its laws fair to all of our people—because the trend has become to give special influence to more and more of the special interests across Government, in the executive branch and in the legislative branch right here on Capitol Hill. This is where Congress makes the laws of this land. We didn't even look into congressional activities during this series of hearings.

The investigation revealed situations where contributors like Roger Tamraz openly used soft money contributions to buy the access to executive branch officials that he thought placed him in an equal position with his business competitors. It revealed situations where huge contributions, possibly from abroad were laundered through legal residents of this country. Without soft money these abuses would not have occurred.

In the initial debate on campaign finance legislation, and in subsequent debates, we have heated discussions about whether it is appropriate to allow contributions of \$1,000 vs \$5,000.

Yet today we are talking about a single contribution totaling hundreds of thousands of dollars. Mr. President I am hopeful that this body can join together in recognizing that individuals and organizations are using these contributions to gain access for their own limited and narrow purpose, and this unrestrained seeking of access is unhealthy for our democracy.

The investigation also showed instances where parties in their thirst for soft money solicited foreign funds, then used the proceeds to fund get out the vote activities in 20 states. Without soft money, these funds would never have been solicited and would not have made their way into U.S. elections.

The ready availability soft money combined with the national party's ability to air so called "issue ads" also resulted in an explosion of advertising which clearly benefitted both party's Presidential candidates. This apparently legal activity will be halted if we simply act to get rid of the soft money that is raised to pay for these ads.

As an example, the other day on the floor here, the comments were made about how the President participated in issue ads and so on, and was active in determining what was going out and so on. Much was made of that. But I would like to give the other side of that, which was not brought out on the floor the other day, too. This is not to justify both of them, this is just to say both of them, I think, should be corrected.

But, as an example, in the 1996 election, both the DNC and the RNC spent millions of dollars airing advertising that promoted their Presidential candidates. This advertising was paid for with mostly soft money. A review of some of the evidence gathered in the course of the report highlights the problem that parties use soft money to pay for advertising intended to help their candidates. Now, I don't deny some of the charges made against the Democratic National Committee. But, like the similar DNC advertising campaign:

The RNC raised additional soft money, with Senator Dole's assistance in order to pay for the ads.

The money for the ads was transferred to state parties in order to use more soft money for the ads.

The ads were created, written, and produced by Dole for President's media consultants and pollsters, and the Dole for President consultants met frequently—usually on Wednesday evenings—with RNC officials and Dole for President campaign officials.

The RNC ran the ads only in states where Clinton and Dole were close in the polls.

I offer this example not to suggest that these activities were illegal. In fact this activity—and virtually identical activity was carried out by the DNC and the Clinton campaign—were most likely legal. However, this sort of advertising would not happen without the soft money to air it. If the soft

money spigot is shut off, candidates and parties would once again be limited to using contributions raised in small increments, which was the intent of the law.

If we fail to act in coming years we will probably see millions of dollars in so-called issue ads not only to help the Presidential candidates but also to help House and Senate candidates, all financed with soft money—a complete by-passing of the intent of election laws that are supposed to protect every single person in this country.

A few examples of abuses of the issue advocacy exemption uncovered in the Governmental Affairs Committee investigation, but which were precluded from being presented in hearing include the following:

An organization called the Economic Education trust, which seems to exist only as a bank account, hired its own political consultants, planned its own advertising campaign, then "shopped" for suitable nonprofit organizations to funnel the money for the ad campaign through. The trust spent millions of dollars on ads and mailings attacking candidates nationwide, including candidates in state races, without voters being aware of their existence.

Another one, Americans for Tax Reform mailed millions of mailers funded with RNC money to voters in key Congressional districts. If the RNC had mailed the same pieces, they would have had to use hard dollars.

Another one, at least two groups that each aired over one million dollars of issue ads, the Triad affiliated Citizens for Reform and Citizens for the Republic, aired advertisements that did not contain words of express advocacy but advocated no specific issue, contained inaccurate statements of candidates records, and attacked candidates on issues of past behavior and character.

The proposals for addressing such activity are carefully drafted to protect the First Amendment right of voters to engage in political speech. The proposed legislation does not prevent any individual or organization from paying for communications but simply requires disclosure and compliance with contribution limits that govern other organizations. It is a shame we could not get that legislation through in the last couple of days.

Let me talk about the FEC. I think that we can all agree that it doesn't matter how good a law you have, it has to be actively and vigorously enforced. Last fall the Governmental Affairs Committee devoted two weeks of hearing time to experts on campaign finance. Among the witnesses who testified before the Committee were former Federal Election Commission Commissioner Trevor Potter and current General Counsel Larry Noble. Along with other witnesses, their testimony revealed a agency unable to begin to deal with the mammoth task before it. The agency does not have the resources it needs to enforce existing laws. The FEC also does not have the ability to

act quickly and effectively in response to complaints.

The lack of resources the agency receives from Congress almost guarantees that the agency will fail in its efforts to uncover violations of the law in a timely manner.

In testimony before the Committee on Governmental Affairs, Norm Ornstein testified that he thought, it was his opinion—and I don't think it was a studied opinion, but it was his estimate when asked a question—that it would take at least \$50 million, almost twice what the FEC currently receives, and that might begin to give the agency the resources it needs.

To cover all of our election laws, there are approximately 30 lawyers on the FEC legal staff who investigate violations of the election laws. Those 30 lawyers don't really go out and do field investigations. Mainly, they may take some depositions and a few things like that; but they are not really trained investigators as such. Less than 10 additional lawyers comprise the entire litigation staff, which argues in court. And amazingly, until 1994 the commission had no investigators.

No investigators, and then they had one investigator. And it was pointed out during our hearings, they just recently, last year during our hearings, doubled the size of their investigative staff. A 100 percent increase—that got them up to 2 investigators. There were two investigators to go out and investigate complaints all across this country, as to what was going on.

Let me contrast that. By way of contrast our combined staff on the Governmental Affairs Committee had 44 lawyers, just for this investigation.

The Majority staff of 25 lawyers alone was almost equal to the entire FEC investigative staff. The Committee also had 8 FBI agents detailed to help in its investigation, as well as two investigators from the General Accounting Office and 4 investigators on the staffs. Yet when the FEC specifically asked Congress for the resources to hire more staff to deal with cases stemming from the 1996 elections, Congress specifically precluded the agency from hiring more staff. They wrote into law they could not hire more staff. Can we imagine anything more shortsighted than that?

The FEC must fight for every penny it receives. For example, in fiscal 1995, the FEC had over 10% of budget rescinded half way through the fiscal year, the largest percentage agency rescission government wide.

In fiscal 1996, they sought \$32 million but received only \$26 million with some funds "fenced" for particular purposes.

In fiscal 1997, they had travel budget limited and fenced such that it was difficult to conduct depositions and court appearances including those undertaken in connection with the Christian Coalition litigation—just to name one.

That is just deliberately hamstringing the organization that is supposed to be enforcing our election laws,

and Congress does that deliberately. Why? Well, you'll have to answer that in your own mind.

But there are undoubtedly those who do not want to see our campaign finance laws rigorously enforced.

The agency is also burdened by cumbersome procedures, which I believe the legislation before us today makes a good start at addressing. For example the FEC does not have the ability to seek an injunction that would halt illegal activity before the election was held. The FEC also cannot require electronic filing of disclosure reports that would soon permit every Internet user to see how much their local candidates had raised and spent and from whom. The FEC also lacks the ability to randomly audit campaigns to ensure compliance with the law. These reforms contained in the McCain-Feingold proposal will help the FEC to become a more vigorous deterrent to abusing the campaign finance system.

Let me make some recommendations.

Many of the proposals set forth in McCain-Feingold are also contained in the recommendations of the Governmental Affairs Committee's forthcoming report. The Minority, in its forthcoming report makes the following recommendations that can be enacted with passage of this legislation. We recommend that we eliminate soft money: Eliminating unrestricted contributions to political parties from individuals, corporations and unions is the most important step towards reducing the influence of money in the campaign finance system.

Another one, address issue advocacy: A soft money ban, however fundamental to reform, must be coupled with reforms addressing candidate advertisements masquerading as issue ads. A provision that requires any communication that mentions a federal candidate within 60 days of a general election to comply with disclosure requirements and restrictions on the use of union and corporate funds would not prevent or ban any advertisement but would bring all political ads within the campaign finance system.

Strengthen and clarify the statutory prohibitions against foreign contributions and contributions in the name of another which will be accomplished by the soft money ban contained in McCain-Feingold.

We need to give the Federal Election Commission the resources it needs to do its job. Any reform, from the most modest improvements in disclosure to the most comprehensive revision of campaign financing, will not be complete if the agency charged with enforcing the law lacks the resources to do so.

We should give the Federal Election Commission the authority needed to enforce the law. Not just the authority, but the resources to enforce the law.

Improve public disclosure and mandate electronic filing for all candidates and political committees to speed the

disclosure process and allow more disclosure to voters. Those would have been covered within the McCain-Feingold legislation. In addition to what was provided in that bill, however, we should enact, with passage of this legislation, some other things. The Minority report also recommends that whenever possible we do several things

In addition to giving the FEC additional authority in general, as mentioned above, the minority also recommends several specific changes. No. 1: Increase the size of the Commission to an odd number of commissioners to avoid deadlock. Then we should grant the Commission the power to seek injunctions in Federal court. We should streamline the process for initiating investigations by eliminating requirements for a formal Commission vote, and formal finding that a violation occurred. And we should also permit the Commission to assess automatic fines for late disclosure reports.

Those are things that would not have been covered in McCain-Feingold but which should be enacted anyway.

Some other things the Minority report also recommends in, addition to what would be covered in McCain-Feingold.

For all contributions over \$1,000, require certification, under penalty of perjury, that a contribution meets the requirements of federal law, including that the contributor is a citizen or legal permanent resident and that the contribution was made from the funds of the contributor.

We should reduce the costs of campaigns. During the 1996 campaign, federal candidates spent \$400 million on television advertising. Congress should consider mandating some free time from broadcasters as one way to decrease the amount candidates buy and parties are required to spend to get out their message.

We should also clarify and strengthen applicable tax law. Tax exempt organizations have become increasingly influential in federal elections, while operating under legal requirements that provide insufficient guidance on permissible campaign activity and disclosure obligations.

We should also clarify campaign restrictions applicable to organizations operating under section 501(c)(4) of the tax code.

We should also ensure public disclosure of all organizations whose primary purpose is to influence elections by requiring that all organizations claiming an exemption from taxes under section 527 also file with the FEC or the applicable State body.

This next one is a very important one also. We should consider requiring the IRS to approve or disapprove all applications for tax-exempt status within 1 year and require that an application for exempt status be approved before an organization may hold itself out as tax exempt.

What is done now is exactly what was done with the National Policy Forum,

an arm of the Republican National Committee, and was involved with the transfer of Hong Kong money through a loan guarantee that got money that I mentioned earlier. What happened there was that the National Policy Forum filed for 501(c) status and then advertised itself as being a tax-exempt organization even though the approval had not been granted yet by the IRS.

That is not unusual. Let me say on behalf of NPF and those who were involved with it at that time, it is not unusual when you file, you say you have filed and so you presume you are going to be a 501(c) organization and have tax-exempt status for anyone who makes a contribution pursuant to that status.

What happened was, the IRS came back later on and said the NPF was not valid as an organization, did not rate the tax-exempt status that the 501(c) would have carried with it. So they disapproved that, but that disapproval came at least 3 or 3½ years after the application was made. I do not believe any organization, whether it is for regular tax-exempt charities or political or any other organization, should be able to advertise itself as a tax-exempt organization until it has the ruling from the IRS.

These recommendations are directed at improving the system for everyone. The legislation we have had before us the last few days is also about improving our system. I didn't think that this was partisan legislation, but it certainly came out that way. The net effect of enacting these reforms would be to reduce the amount of money spent on campaigns and to have all players in the political system abide by the same rules.

In closing, I want to make one final point. Since 1976 I have supported public financing of campaigns, and it seems to me that it is a worthy use of Public Treasury funds to ensure that we have clean money and clean elections. The erosion of public confidence that I have witnessed can only be offset by taking the steps necessary to clean up our campaign finance system and renew the public trust in elected officials.

Let me say this. Sometimes I think the States get out ahead of the Federal Government in taking action that is necessary to clean up certain things within our system of Government. Maine has taken the lead now, of course, in doing exactly that with regard to campaign finance. It is my understanding some 12 other States are looking into financing candidates' races in the general election in State races, or at least a major portion of that funding that is required.

I believe that would improve our system of Government. I also believe that if we could have faith restored in our system by having taxpayer money that represents all interests of this country equally, and get back to having the Government represent all the people all the time, and not part of the time

for all the people, and some of the time for the special interests who have bought their way in, that it would be the biggest value we have had in a long time.

So I wholeheartedly supported the bipartisan McCain-Feingold bill that was before us. I believe it is just a first step. Eventually, Mr. President, I believe the answer to our concern is to eliminate the role of private money in campaigns. I think we should allow campaigns to be fairly and equally underwritten by all Americans through some form of publicly supported finance. That is the purpose of Government, to represent every American, not a favored few.

Only when we have public financing do I believe we will be able to assure that loopholes will not develop and that special interests will not find new ways to bend the system to their own ends.

As I sat in on months of hearings on our campaign system, I became more thoroughly convinced that only when we turn to a public system of financing campaigns will we fully solve the problems of campaign finance. That is why I joined with my colleagues, Senator KERRY of Massachusetts and Senator WELLSTONE of Minnesota, in cosponsoring a bill called the Clean Money Clean Campaign Act. It is based on the Maine plan and those 12 other States who are looking at it, to limit campaign spending, to prohibit special interest contributions, to eliminate fundraising efforts, to provide equal funding and a level playing field for all candidates and end the loopholes that have wrecked our current system.

Through a publicly funded system, we can end the current abuse and establish a system that takes us back to our major responsibility, which is representing the interests of all the people all the time. I think that would go farther to clean up the system, restore faith and credibility in Government, and I think would be the biggest bargain the American public has had in a long time.

If you look at it another way, money comes out of our economy some way into politics. Now it is dollars for access. Too large a percentage of the money comes in from special interests looking for special treatment. With better financing, we would then fairly represent everyone. It would be nice to have people believe all of us are working all the time for the greatest benefit for all of our people. I think that would go a long way to reducing the cynicism, the apathy, the lack of interest, the lack of trust, the lack of danger that it represents, because when people feel too threatened, they will also feel that they want to split off into smaller self-protective groups to have their voice heard in some council of Government, which was something that was to be necessary if a democracy was to survive, as Thomas Jefferson said.

We don't want to see that. We think the two parties have represented our

country well throughout our history, and we want to see these parties continue and not be siphoned off or not have their members siphoned off into smaller and smaller self-protective groups.

I recognize fully the time probably has not yet come to move to Federal financing, but I believe the more the American people focus on the current system and its exploding abuses, the more likely it will be that the support will grow for such a change.

So I would have liked to have seen us, over the past few days, pass the McCain-Feingold legislation that was before us, because I feel the situation is critical. We face elections in this country in less than 8 months in which the loopholes ripped open in 1996 will result in an even greater flood of legal but improper activity into the system as each party tries to elect their chosen candidates and the candidates battle to be heard against the flood of issue advertising.

Mr. President, I want to close by repeating some of the thoughts I opened my remarks with. These votes are controversial votes. They too often split just along party lines and party loyalty on the basis of what will enable one group or another to raise the most money for this particular election. But I think there is another way to decide on this. It is another test that I label the "grandchildren test," the "grandchild test."

What do we want our political system to be in the future in this country? Do we want our system to be a system that increasingly represents the few, the big interests able to put millions of dollars into a campaign, represents only the wealthy that can buy their way in by responding to ads that say that you will get to meet with the committee chairman of your choice if you make a certain large contribution, and down at the bottom it says, "Benefits upon receipt"? Is that the kind of system we really want for our children and our grandchildren in the future?

I think I would much rather have an ideal political system in which our children and our grandchildren have a great faith in Government, that their interests are being represented most by their elected officials. I don't think we want a system dominated by interests that may not favor your own children or grandchildren. I don't want my grandchildren to think that they have to contribute thousands, not just thousands, but hundreds of thousands or maybe even millions of dollars, if they ever have that much money, to have their voice heard in Government in a democracy such as ours.

So we have had votes over the past few days that, to me, were votes very simply on fairness—fairness that we have a commitment in this Senate to making certain that all of our people are treated fairly all of the time. That was what these votes were all about.

I encourage Senator MCCAIN and Senator FEINGOLD to bring that legislation

back to the floor again later this year. Maybe we can try again. Sometimes legislation that is important for the future of the country needs a number of votes before we finally get it through. I think this is an issue whose time has come, and it is an issue that is going to be critical if we are going to erase some of the cynicism and apathy toward Government that abounds too much in this country, particularly among our young people.

That, to me, is the hazard of going on with this. I don't think this Nation of ours is ever going to be taken over by the likes of Russia, China, North Korea or any combination of nations around this world. I do worry about the future of our democracy when we have people, particularly our young people, who are so apathetic toward politics and Government that they don't want any part of it, wouldn't think of running for public office, don't want to get into a dirty thing like political races, wouldn't think of going out and trying to raise money to help our political parties get messages across.

We have to erase that if we are to have the democracy that is our future, because our country can go downhill from that just as fast as it can from other adversaries that might have more military power but would not be able to take this country over.

Mr. President, I hope that we bring this subject up again this year, and I hope that we have a more favorable consideration of it when it comes up again.

I also want to recognize Beth Stein, who is with me here today, who has worked so long and hard on this, who has had a long experience at the FEC and contributed so much to our hearings this year and last year in trying to make sure we have a way to the future that is good for all of our people. I thank her for her efforts, and also all the committee members who worked so hard on this through the year.

Mr. BIDEN. Mr. President, I ask unanimous consent to proceed for 12 minutes as in morning business.

THE PRESIDING OFFICER. Without objection, it is so ordered.

THE U.N.-IRAQ AGREEMENT

Mr. BIDEN. Mr. President, I listened with great interest yesterday to the comments of the majority leader on the agreement between the United Nations and Iraq. I did so particularly since I had come to the floor in the past and publicly credited him and complimented him for his forceful assertion the night of the State of the Union indicating we would stand united, Democrats and Republicans, in our opposition to Saddam Hussein. That was badly needed at the time. It was a statesmanlike thing to do, and it was applauded by all of us.

But I must admit I was perplexed yesterday by the majority leader's comments. He seemed, in my view, Mr. President, to rush to judgment to en-

gage in a pessimistic fatalism that I think permeated his remarks and I think are unwarranted.

The majority leader is correct, based on what I heard yesterday, at least in one important respect, and that is the agreement between the United Nations and Iraq should be judged by whether it furthers American interests from our perspective. This is entirely consistent with the position taken by President Clinton. He and his national security team are in the process of making that judgment, which is: Is this agreement consistent with and does it further U.S. interests?

The administration is seeking clarifications to the ambiguities in this very general agreement. It is using our formidable diplomatic muscle, Mr. President, to settle unanswered questions in our favor, as I speak. In contrast to the gloomy assessment presented by the Senate majority leader, things appear to be breaking our way so far, as we seek the proper interpretation of that agreement.

Secretary General Kofi Annan has provided assurances on some of the key questions that have arisen in the accord.

First, the new special team will be an integral part of UNSCOM and not a separate entity, as some worry.

Second, the diplomats to be appointed to the new team will act as observers only. UNSCOM will retain operational control of the entire inspection process.

Third, the head of the new special team within UNSCOM for inspecting Presidential sites will be an arms control expert with a solid track record in arms control. Mr. Jayantha Dhanapala, the current Undersecretary General for disarmament, who has recently completed a tour as Sri Lanka's ambassador to the United States, will be that person. He has played a key role in making the Nuclear Nonproliferation Treaty permanent. He and Ambassador Richard Butler have known each other for nearly 20 years, and they appear to be able to work together and respect one another.

Fourth, UNSCOM and the Secretary General, not Iraq, will develop the procedures for inspecting the Presidential sites.

Fifth, UNSCOM and Chairman Butler will retain their independence.

Sixth, the reporting lines remain intact. The new team leader will report to Ambassador Butler, who, in turn, reports to the Security Council through the Secretary General, as UNSCOM's chairman has done since 1991.

Finally, the new representative of the Secretary General in Baghdad will not have a direct role in the UNSCOM inspections process.

If these assurances pan out, then this agreement will go a long way toward furthering the United States national interests.

I have personally known the Secretary General, Kofi Annan, for many years, and I regard him as a man of his

word. So I have no reason to doubt these assurances that have been made now on the record.

For the sake of argument, let us assume that the Secretary General is attempting to deceive us, which I know he is not. In that case, I don't see that we have given up any of our options, even if that were his intention.

We are not bound by this agreement. If it provides unworkable mechanisms to let UNSCOM do its job, or if it undermines the integrity of UNSCOM, we can and should walk away from it.

The critics would have us believe that we are the "helpless superpower," that we are bound by the terms of an agreement negotiated by an omnipotent United Nations. This simply does not conform with reality or square with the facts.

We have a formidable armada assembled in the Persian Gulf poised to strike at a moment's notice. That armada can be called into service if the agreement falls short or if Saddam Hussein reneges on his commitments. The agreement does not in any way suspend our right to act unilaterally or multilaterally for that matter.

Indeed, should the agreement be violated, the use of force would meet with, in my view, much less international opposition than it would have in the absence of an agreement.

An allegation that I find particularly puzzling is that we have "subcontracted our foreign policy" to the United Nations. Granted, it makes for a crisp sound bite that everybody will pick up, but like most sound bites, it lacks substance.

Those who make this politically motivated charge seem to ignore that the Secretary General is acting according to specific guidelines issued by the Security Council. They seem to forget that the United States is in the Security Council and our Secretary of State, in particular, played a central role in preparing these guidelines.

Would the critics have preferred the Russians and the French coming up with an agreement without our input, or the Secretary General acting on the basis of his own instincts? Or would they rather have him act on the basis of the red lines that we drew in the agreement as a member of the Security Council? Or to avoid subcontracting our foreign policy, would the critics have preferred our diplomats traveling to Baghdad?

The charge also misses the fact that we have maintained support for our policy by acting within the bounds of the U.N. resolutions, which we crafted. We have not subcontracted; we have set the terms for Iraqi compliance.

Throughout this crisis, the same critics have leveled exaggerated charges that we have precious little international support for our policy; yet, in the same breath they call for a course of action, such as toppling the regime, that would guarantee absolutely no international support and without the willingness to supply our military with