certain other information. The threshold for itemization is $50. *See* 254.031, Tex. Elec. Code. Most candidates and officeholders are also required to file these reports electronically.

The purpose of P.L. 106–230 is to ensure full disclosure of political contributions and expenditures. Form 1120–POL does not provide the public with any additional information on contributions and expenditures. Moreover, Form 990–EZ provides only aggregated information. If the public wants detailed information on a Texas House member's contributions and expenditures, the public must still go to the Texas Ethics Commission reports.

I hope you find this information helpful. As I had stated to you in our conversation, the draft legislation proposed by Representative Doggett does not address the concerns of state legislators with P.L. 106–230. I urge you to suggest reworking Representative Doggett's proposed legislation to exempt state legislators from the burdensome and duplicative requirements of P.L. 106–230. Please do not hesitate to contact me if you have any further questions. I may be reached at 202–624–3566, or by e-mail at Susan.Frederick@ncsl.org.

Sincerely,

SUSAN PARNAS FREDERICK,
*Committee Director,*
*NCSL Law and Justice.*

Mrs. HUTCHISON. Mr. President, I made the argument. I hope the amendment will be accepted. I understand we will need to clear it through the Finance Committee and make sure they are also not opposed to it.

But I believe if anyone looks at the technical nature of this amendment, they will support it. It would take a terrible burden away from our State legislators and local candidates for mayor or city council.

I certainly hope we can do that in an expedited way.

I yield the floor. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## THE BUDGET

Mrs. HUTCHISON. Mr. President, I wanted to speak for a few moments as if in morning business to talk about the budget and what the distinguished Senator from New Mexico is proposing.

I was privileged to be in a briefing to learn what the committee is looking at. It was discussed earlier on the floor that the bill is going to come straight out of committee.

I am pleased that is going to happen because I would like to have just as much say in the budget as would any Member of the Senate. We will have 30 or 50 hours of debate. We will have plenty of time to discuss our priorities. But with this evenly divided Senate, more and more, all of us are going to have the opportunity on the floor to have our input rather than not have it come to the floor and bog down the process.

I am very pleased with what we are hearing. I am very pleased that we are bringing the budget up on an expedited basis because I think we need to move swiftly. Our country is looking at an economic downturn. Many people think it is a recession. I hope it isn't. But, nevertheless, I think action is needed. I think action on behalf of the American people is warranted at this time.

I think setting the budget and determining what our priority expenditures are going to be and looking at giving tax relief to American workers at this time is even more important than it was when we first introduced the idea because many of us believe that having this huge budget surplus sitting in Washington, DC, is certainly not good economic policy and it isn't good fiscal policy.

It is time for us to make sure the money that is sitting in Washington, DC, in excess of what is needed for the running of our Government be put back in the pocketbooks of the people of this country.

I am very pleased we are working on an expedited basis. I am pleased we are going to take up a budget. I am pleased Senator DOMENICI, the leader of the Budget Committee, is pushing right now, right this minute, for an immediate tax relief plan—something that people will see is going to come. They will know for sure that is going to come, and that it will come, hopefully, on an expedited basis.

I am very proud the Budget Committee is moving forward in this fashion. I am so proud of our leadership. I hope we can work with the other side of the aisle so all of us will have equal input in the 30 to 50 hours of debate that we have on the budget resolution so we can establish our priorities; so we can preserve Medicare; so we can have real Medicare reform to include prescription drugs; so we can have the new added expenditures that we know we are going to need to upgrade the quality of life for those serving in our military; and so we can increase spending on public education to make sure every child has a quality public education, which is the foundation for democracy.

I think we will have those added expenditures and we will have tax relief for the American people.

If we can take up this budget resolution a week from Monday, we will do it on an expedited basis.

I am proud of Senator DOMENICI and the leadership of the Budget Committee. I am proud of our leadership and their working with our President to make sure we have tax relief for hard-working Americans.

Thank you, Mr. President.

I yield the floor.

## CAMPAIGN REFORM ACT OF 2001—Continued

AMENDMENT NO. 111

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I rise to discuss this amendment which I am sorry to oppose.

I appreciate the involvement of the Senator from Texas in this issue and on this particular aspect of it because it was the first major breakthrough we were able to make in the area of campaign finance reform requiring full disclosure of 527 activities.

Now that full disclosure has been obtained, we find some fascinating things have gone on in the name of campaign activities, such as buying trucks, giving people very generous salaries, renting office space—very interesting things.

Basically, as I read this amendment, it does not require the State and local political committees to notify and report the requirements imposed in 527.

As I understand the comments of the Senator from Texas, I guess somehow it gives them burdensome paperwork that would be difficult for them to achieve in the case of 527s.

They are making these reports, and all they have to do is make a copy and send it to Washington. So for a 527, it seems to me, it would not be that hard to use a copying machine. In fact, you might want to even go down to Kinko's and get one there.

But more importantly, this is a reversal of full disclosure. Everybody, no matter which side they are on in this debate, says an integral and vital part of the problem is full disclosure. This is obviously a reversal thereof.

Also, staff informs me that this entire bill would be blue-slipped if this amendment were made part of it because it touches the Tax Code. Changes in the Tax Code originate in the House of Representatives and it would have to come out of the Ways and Means Committee.

So I will be opposing this amendment. I appreciate the involvement of the Senator from Texas. But to exempt people from making a copy of their financial disbursements in their campaign activities and sending it on to Washington, where, if Senator COCHRAN'S amendment is going to be agreed to as part of this bill, it would be posted on the Internet and all would be able to see it, is obviously not something that I would really very much favor. I would want Americans to know all this information.

I yield the floor.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I respond to the Senator from Arizona by saying, first of all, I hope he will work with me to try to have the purpose of my amendment added to this bill. If there is a specific problem, I would like to work with the Senator because I do not think the amendment we had last year, that affected the 527

organizations, was intended to affect State and local candidates who do not participate, in any way, in Federal elections.

I think it is very clear from the amendment. If it isn't clear, I will certainly try to make it clear in the amendment that it would only apply to a State and local candidate who had reporting requirements and whose reporting requirements were covered under State law. Copying the report and sending it to the IRS is, unfortunately, not what happens when you pass a Federal law that affects State and local candidates.

What happens is, you have a form that the IRS approves, which may not be the same as is required in some States. So it is a burdensome, added requirement. Furthermore, it isn't necessary because nothing that they do is participating in the Federal campaigns.

The second issue is an important one. It is not my purpose to blue-slip the bill or kill the bill. In fact, if the bill were to be blue-slipped, I would withdraw the amendment. I do not think it is subject to being blue-slipped.

In fact, the original amendment last year was offered to the Defense authorization bill. It was brought up at the time that this was a revenue measure and, therefore, was unconstitutional to be put on the Defense bill. In fact, we voted on that point of order, and it was determined that this is not a revenue measure.

Senator MCCAIN, along with many of the other cosponsors of the bill today—Senator MCCAIN and Senator FEINGOLD—agreed that this was not a revenue measure. In fact, Mr. MCCAIN argued on the floor at the time:

> This amendment in no way raises any revenue, nor does it change in any way the amount of revenue collected by the Treasury pursuant to the Tax Code. It is simply a clarification in what information must be disclosed by entities seeking to claim status under section 527 of the Tax Code.

So I believe it certainly would not be considered a revenue measure and therefore would not be subject to a blue slip that would kill the bill.

It is not my intention, with this amendment, to harm the bill itself. It is, though, my intention to try to alleviate this burdensome requirement for State and local candidates who would have to have another layer of reporting.

I hope the Senator will work with me to make this acceptable to him because I do not think it will in any way damage the bill and certainly will not damage the reporting that is open to the public because State law would cover all of these candidates in their vote disbursements and contribution reporting requirements.

Thank you, Mr. President.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I say to the Senator from Texas, I thank her for this effort. We do want to work with her. I would like to put my staff to work with hers. And there are several other Senators' staffs who have also been working on this issue. I think we might be able to get something done.

I will make a couple points. One, these organizations do get a Federal tax benefit even though they are only involved in State and local races. That is something we have to address. The other point is, as the Senator from Texas did point out, I argued strenuously that our legislation, which was put on the Defense bill, would not be blue-slipped by the House and should not have been. And I still believe that. I agree with the Senator from Texas that this should not be blue-slipped either.

But after we passed the bill, and they went to conference, the House was insistent upon their position that it would be blue-slipped. So it was withdrawn from the Defense bill because of that adamant position the other body assumed.

I have been discussing this matter with our staffs, and I think there is a way to work it out. I agree with the Senator from Texas, we should not put additional burdens on especially a majority of these relatively small organizations that are engaging in State and local campaigns. So I rather believe we can probably get something worked out and get it modified so it is acceptable to both the Senator from Texas as well as all Senators.

I thank the Senator from Texas. We are going to work on it. I thank her for her engagement on this very important issue.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I respond by saying, I do appreciate that Senator MCCAIN will work with us. Even though certainly a State and local candidate does not pay taxes on the contributions he or she receives, nevertheless, this should not be a report to the IRS when the reporting is covered—a point with which I think the Senator from Arizona agrees.

Secondly, I will say right now that I would like to work with the key people in the House and the key people in the Senate to assure—before we put this amendment on the bill, or the amendment as we can work it out—that it will not be blue-slipped because if this is going to be a game that will be played by someone who is not for the bill, I will not be a part of it.

My views on the bill might differ—and do differ—with the Senator from Arizona, and I will vote my conscience on the bill. But I am not playing a game here to try to kill the bill with a blue slip on an amendment. So I will have it cleared before we make a final determination because that is not my purpose.

My purpose is to give the relief that I think we probably all agree should be given. I think the House and Senate will unanimously want to do it.

We will clear the blue slip issue to everyone's satisfaction before that would go on the bill.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, my colleague from Arizona has described the hesitations that those of us have about this amendment. They are mere hesitations, not opposition. It is a desire to ensure that what the Senator from Texas is trying to achieve, will in effect, be accomplished by the result and nothing more.

Certainly my colleague from Texas can appreciate that unintended consequences of our good intentions sometimes can have effects beyond our imagination.

Mrs. HUTCHISON. I think that is what happened with the original 527 act. That does happen.

Mr. DODD. Hopefully, we can narrow that.

My colleague from Kentucky may want to be heard on this, but I recommend the Senator withdraw the amendment. Obviously, as soon as she is ready to bring it back up for debate, we will accommodate her. If she wants to bring back the amendment as crafted or whatever her version will be, that will certainly be allowable. It would be a good way for us to proceed. I recommend that, if she is so inclined, and we can all work together to try to achieve the result she desires.

Mrs. HUTCHISON. Mr. President, I am happy to withdraw the amendment. I did want to propose it and have the debate. I thought it would actually be acceptable. I think it will be in the end. I am happy to work with the House to assure that there will be no blue slip problem. I think, on the merits, this is not a blue slip issue.

Mr. MCCONNELL. Will the Senator yield?

Mrs. HUTCHISON. I am happy to yield.

Mr. MCCONNELL. I missed part of the debate. Is the Senator saying she is going to withdraw the amendment?

Mrs. HUTCHISON. I was requested to withdraw the amendment so that we might move forward.

Mr. MCCONNELL. I suggest, if it is going to be continued to be considered in the course of this debate, it might be better to simply lay it aside. That keeps it in order. If it is certain that it will not be dealt with in the context of this debate, then withdrawal will be appropriate. I missed the earlier discussion.

Mr. DODD. I say to my colleague, the problem is that if you lay an amendment aside, it takes unanimous consent to continue to lay it aside for other matters to be brought up. Someone could object to that and provoke a delay in the consideration of the bill. We should probably go with withdrawal, with the commitment to the Senator that we will bring it back up.

Mr. MCCONNELL. Mr. President, we have had a great deal of comity during

the course of this debate. The biggest problem Senator DODD and I are going to have is accommodating amendments that Members haven't come over to offer. My concern is, the amendment of the Senator from Texas, having done what we asked her to do, which is come over and lay down her amendment, by withdrawing it, goes back into the herd that may or may not get dealt with at the end. By simply setting it aside, she is in line. It gives an opportunity for discussions to continue with the Senator from Arizona and others who, I gather, think there might be some way to work this out. She is still in line rather than sort of getting sent back to the back of the bus. That is my advice to the Senator from Texas.

Mr. DODD. I appreciate that. The problem is, we can't control what 98 other Senators want to do.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. MCCAIN. Will the Senator yield for a question?

Mrs. HUTCHISON. I am happy to yield.

Mr. MCCAIN. Mr. President, with the staff of the Senator from Texas and our staff, if we work it out, which I am 90 percent sure we will, then there is going to be no debate. We will bring it up and accept it. I don't think it will be too big a problem getting back in the queue on an amendment that is going to be basically accepted. If not, then it is going to be brought up, and we will have the full 3 hours of debate. I suggest the Senator from Texas go ahead and withdraw it. Then we can bring it up after we have an agreement. We can have it done in 30 seconds, since we have already debated the underlying issue.

Mrs. HUTCHISON. If I could make a parliamentary inquiry, if I withdraw the amendment—I don't know if there has been a unanimous consent that has limited amendments—I just want to make sure I don't lose any ability to consider the amendment. I don't want to be in line and cause one person to hold the bill up. Again, I am not in the game. I am just trying to have this amendment be agreed to. I think it will be.

Mr. MCCONNELL. If the Senator will yield, we are in the process of working on a list of amendments which will probably be completed by sometime Monday. Your amendment will certainly be on the list. What we don't know, given the limited amount of time remaining between now and Thursday night, is whether that guarantees its consideration.

The Senator from Arizona is correct; if Senators work it out, there will be no problem. If they don't work it out, I don't want the Senator from Texas to think it is a certainty that we are going to be able to handle all these amendments before we get to final passage.

Mr. MCCAIN. If the Senator will yield, I wish to make it clear, if we are not done by Thursday night, it will be done on Friday; if it is not done on Friday, we will be on it Saturday; if we are not done on Saturday, Sunday; if not Sunday, Monday. We will make time for the amendment of the Senator from Texas. We will not leave this legislation as long as I have the ability to keep us on it. If I don't, then all amendments will go, and so it won't matter whether the amendment came up or not.

AMENDMENT NO. 111, WITHDRAWN

Mrs. HUTCHISON. Mr. President, based on the assertions of the Senator from Arizona, the Senator from Connecticut and what the Senator from Kentucky has said, that we will be a drawing up a list of amendments early next week, I will withdraw the amendment and rely on the good faith of everyone to work on this amendment to try to relieve the inequity without getting into the bill itself or damaging the bill itself.

The PRESIDING OFFICER. Is there objection to the Senator's request to withdraw the amendment? Without objection, the amendment is withdrawn.

Mr. MCCONNELL. I thank the Senator from Texas. I hope she and the Senator from Arizona can work this out to their mutual satisfaction so we can accommodate what I think is a very good idea.

Mr. DODD. May I make a parliamentary inquiry. Is not the pending business the Specter amendment?

The PRESIDING OFFICER. The Senator is correct. The Specter amendment was set aside by unanimous consent.

Mr. DODD. Any motion to bring up an amendment requires unanimous consent to lay that amendment aside, is that not correct?

The PRESIDING OFFICER. The Senator is correct.

The Senator from Kentucky.

Mr. MCCONNELL. I believe the Senator from Illinois is here, and he would like to offer an amendment. Building on the conversation Senator DODD just had with the Chair, I say to the Senator from Illinois, the Specter amendment is the pending amendment. I ask unanimous consent that the Specter amendment be temporarily set aside in order to give the Senator from Illinois an opportunity to send his amendment to the desk.

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

The Senator from Illinois.

AMENDMENT NO. 144

Mr. FITZGERALD. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. Fitzgerald] proposes an amendment numbered 144.

Mr. FITZGERALD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide that limits on contributions to candidates be applied on an election cycle rather than election basis)

On page 37, between lines 14 and 15, insert:

**SEC. ___. CONTRIBUTION LIMITS APPLIED ON ELECTION CYCLE BASIS.**

(a) INDIVIDUAL LIMITS.—Section 315(a)(1)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(A)) is amended to read as follows:

''(A) to any candidate and the candidate's authorized political committee during the election cycle with respect to any Federal office which, in the aggregate, exceeds $2,000;''.

(b) MULTICANDIDATE POLITICAL COMMITTEES.—Section 315(a)(2)(A) of such Act (2 U.S.C. 441a(a)(2)(A)) is amended to read as follows:

''(A) to any candidate and the candidate's authorized political committees during the election cycle with respect to any Federal office which, in the aggregate, exceed $10,000;''.

(c) ELECTION CYCLE DEFINED.—Section 301 of such Act (2 U.S.C. 431), as amended by section 101, is amended by adding at the end the following:

''(25) ELECTION CYCLE.—The term 'election cycle' means, with respect to a candidate, the period beginning on the day after the date of the previous general election for the specific office or seat that the candidate is seeking and ending on the date of the general election for that office or seat.''

(d) SPECIAL RULES.—Section 315(a) of such Act (2 U.S.C. 441a(a)) is amended by adding at the end the following:

''(9) For purposes of this subsection—

''(A) if there are more than 2 elections in an election cycle for a specific Federal office, the limitations under paragraphs (1)(A) and (2)(A) shall be increased by $1,000 and $5,000, respectively, for the number of elections in excess of 2; and

''(B) if a candidate for President or Vice President is prohibited from receiving contribution with respect to the general election by reason of receiving funds under the Internal Revenue Code of 1986, the limitations under paragraphs (1)(A) and (2)(A) shall be decreased by $1,000 and $5,000.''

(e) CONFORMING AMENDMENTS.—

(1) The second sentence of 315(a)(3) of such Act (2 U.S.C. 441a(a)(3)) is amended to read as follows: ''For purposes of this paragraph, if any contribution is made to a candidate for Federal office during a calendar year in the election cycle for the office and no election is held during that calendar year, the contribution shall be treated as made in the first succeeding calendar year in the cycle in which an election for the office is held.''

(2) Paragraph (6) of section 315(a) of such Act (2 U.S.C. 441a(a)(6)) is amended to read as follows:

''(6) For purposes of paragraph (9), all elections held in any calendar year for the office of President of the United States (except a general election for such office) shall be considered to be one election.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the date of enactment of this Act.

Mr. FITZGERALD. Mr. President, I have an amendment to S. 27 that was actually proposed by my own campaign treasurer and, after I started to look into it, I found out that the FEC had, in fact, made this very same recommendation to President Clinton last year and this year to President Bush.

This is an amendment that will simplify the existing Federal election code

limits and simplify the bookkeeping and recordkeeping requirements of the act without changing any of its substance.

Right now there is a contribution limit of $1,000 per primary and per general election. Any individual can give up to $1,000 for the primary that a candidate is in and another $1,000 for the general election. It is permissible under current law for candidates to actually ask their contributors to give them $2,000 right now, as long as they designate that $1,000 is for the primary and $1,000 is for the general election. And this system has been in place since the act first came into existence in the early 1970s. The problem with the way the act is written is that if a contributor fails to designate which election their contribution is for, and that contributor has already given $1,000, and they give another $1,000, if they do not designate that that contribution is for the succeeding election—say he already gave $1,000 for the primary, and he fails to designate that his additional $1,000 contribution is for the general election, then the candidate must refund that $1,000, unless he gets the contributor to fill out a form saying for which election he or she designates the contribution.

This causes a lot of bookkeeping headaches for your treasurer. I am sure if you check with your own treasurer, Mr. President, he or she would love this amendment. In fact, the treasurers of all 100 Senators would immediately see the wisdom in my amendment.

My amendment would change that per election limit of $1,000 to a per cycle limit of $2,000. So, in other words, you would collect $2,000 from a contributor and not worry about whether the contributor has designated $1,000 for the primary and $1,000 for the general election.

Mr. President, the FEC, in their recommendation to the President—I am going to read what they said about this. They recommended that we change this. It simply would save them a lot of time and staff resources, and it would also save our own campaigns a lot of time and bookkeeping headaches that are simply necessitated by the way the act is phrased. Instead of having a per cycle contribution limit, we have a per election limit, and we have to keep sending these redesignation forms to our contributors.

The FEC, in their letter to the President in March of this year, this month, wrote:

> The Commission recommends that limits on contributions to candidates be placed on an election cycle basis, rather than current per election basis.

Their explanation for their recommendation was as follows:

> The contribution limitations affecting contributions to candidates are structured on a ''per election'' basis, thus necessitating dual bookkeeping or the adoption of some other method to distinguish between primary or general election contributions. The Commission has had to adopt several rules to clarify which contributions are attributable to which election and to assure that contributions are reported for the proper election. Many enforcement cases have been generated where contributors' donations are excessive vis-a-vis a particular election, but not vis-a-vis the $2,000 total that could have been contributed for the cycle. Often, this is due to donors' failure to fully document which election was intended. Sometimes the apparent ''excessives'' for a particular election turn out to be simple reporting errors where the wrong box was checked on the reporting form. Yet, substantial resources must be devoted to examination of each transaction to determine which election is applicable. Further, several enforcement cases have been generated based on the use of general election contributions for primary election expenses or vice versa.
>
> Most of these complications would be eliminated with adoption of a ''per cycle'' contribution limit. Thus, multicandidate committees could give up to $10,000 and all other persons could give up to $2,000 to an authorized committee at any point during the election cycle. The Commission and committees could get out of the business of determining whether contributions are properly attributable to a particular election, and the difficulty of assuring that particular contributions are used for a particular election could be eliminated.
>
> Moreover, public law number 106–58 (the fiscal year 2000 appropriations bill) amended the Federal Election Campaign Act to require authorized candidate committees to report on a campaign-to-date basis, rather than on a calendar year basis, as of the reporting period beginning January 1, 2001. Placing the limits on contributions to candidates on an election cycle basis would complement this change and streamline candidate reporting.
>
> It would be advisable to clarify that if a candidate participates in more than two elections (e.g., in a post-primary runoff as well as a primary in a general), the campaign cycle limit would be $3,000. In addition, because Presidential candidates might opt to take public funding for the general election, but not the primary, and thereby be precluded from accepting general election contributions, $1,000/$5,000 ''per election'' contribution limits should be retained for Presidential candidates.
>
> A campaign cycle contribution limit would allow contributors to give more than $1,000 toward a particular primary or general election, but this would be balanced by the tendency of campaigns to plan their fundraising and manage their resources so as not to be left without fundraising capability at a crucial time. Moreover, adoption of this recommendation would eliminate the current requirement that candidates who lose the primary election refund or redesignate any contributions made for the general election after the primary is over.

Mr. President, we have drafted an amendment to implement this recommendation of the Federal Election Commission. The FEC general counsel's office, I have been told, is OK with the amendment as drafted. I will continue to be in touch with them over the weekend and over the next few days to see if we need to make any technical modifications at all to implement their intentions.

The bottom line is that this amendment does not change at all the substance of the Federal election laws. It simply makes life a whole lot easier for candidates, especially for their financial departments, and in particular their campaign treasurers. This whole business of sending people letters and asking them to designate whether their contribution is for the primary or the general and if they don't return that designation, you have to refund their contribution—all of that, which is necessitated by the inadequate wording of the current law as it stands—is something we could avoid. It serves no public policy purpose that I can identify or that the FEC can identify.

This would simplify things for candidates, their campaigns, and for the FEC. Presumably, it would free up some of the FEC's staff to focus on more serious matters that could violate the spirit of the election laws.

Mr. President, on that basis, I thank you for this opportunity to introduce my amendment. I have shared it with both the Republican and Democratic sides. I would like to have unanimous support for this amendment. I can assure any Senator who votes against this amendment that their campaign treasurers will not be happy with them. This will make their lives easier. With that, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MCCAIN. Mr. President, may I have 5 minutes.

Mr. DODD. I yield 5 minutes to my colleague from Arizona.

Mr. MCCAIN. Mr. President, I thank Senator FITZGERALD. I wonder if the title of this is the ''Fitzgerald Campaign Treasurers Protection Act.''

Mr. FITZGERALD. That should be the name of this amendment.

Mr. MCCAIN. Or ''The Treasurers Relief Act.''

Mr. FITZGERALD. Yes. The treasurers will love this amendment, and it would cut down on postage expenses and a whole lot of headaches. I urge its unanimous adoption.

Mr. MCCAIN. First, I thank Senator FITZGERALD because I also have heard from people who have to keep track of this paperwork. It is voluminous. It is difficult. It is not only an expenditure of money to make sure that all of these reports are correct, but it is an enormous expenditure of time as well.

It seems to me Senator FITZGERALD has an excellent idea. If I understood Senator FITZGERALD, there may be some technical corrections that could be added to the amendment as a result of recommendations by the FEC in order to make sure this is in keeping with the intent of the amendment, I ask my friend.

Mr. FITZGERALD. Yes, we have been in contact with the general counsel's office of the FEC. They just had the last few minutes for review. They have told me they are OK with the amendment, but I want to give them more time and have them scrub it over the weekend to make sure.

In my own mind, I do have a couple questions on which I want to be satisfied. In particular, I have questions about how our amendment affects the requirement that you have to segregate money you have taken in the

primary and general. I want to talk to the FEC about that and see whether my amendment fully comports with their intentions. I want an opportunity to make a technical correction later if it is required.

Mr. MCCAIN. Reclaiming my time, with the agreement of the managers, I want to approve of this legislation pending technical corrections that could be made which would not, obviously, change it but would be merely technical in nature to make sure the intent of the legislation is in keeping with the fact the FEC is the expert on this matter.

I thank the Senator from Illinois. I strongly support this amendment.

I point out, it may be helpful as we conduct this debate over ''hard money'' because some people say you can contribute $1,000 a year; well, that really means $2,000 a cycle and the aggregates which are $20,000—what are they?

What we are talking about is how much can you contribute to an election, which is every 2 years. It is valuable for us to have this information. I wish we were talking in those terms now. It would be clearer to people as to exactly how much hard money could be given in the proposals I am sure inevitably we are going to engage in as to raising of hard money.

We would have a clear indication what that means to a candidate in an election. I mention to my friend from Kentucky, we also ought to take into consideration as we debate this issue of hard money—and I see my friend from New York on the floor, too—how much it costs when we are spending this money; how much it costs for a minute of prime time on New York City television on ''Monday Night Football,'' how much it costs for a 30-second commercial on ''Friends.'' We all know in order to legitimize a candidacy, you need to be on television.

I am going to try to inject this in this debate as we go forward, as to how much money candidates are able to spend. It is an important part; that we not only consider how much they can raise but how much it costs to run a campaign nowadays.

I thank my friend from Illinois. I strongly support the amendment. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Connecticut.

Mr. DODD. Mr. President, I, too, commend our colleague from Illinois. Last evening, a very diligent member of his staff caught me about 9 o'clock with this proposal. I read it going back to my office. It looked to me like a good idea then and it sounds like a good idea this morning. The suggestion that the Senator from Arizona has made and that the Senator from Illinois, in fact, has endorsed—that we take a day or so to run the trap, so to speak, on this to make sure there are not any unintended problems with this—is a wise suggestion. I endorse that.

My colleague from Kentucky can clarify this, but this may be the last amendment we consider so it could actually be the pending business when we come back in session.

This is a very sound idea. I know of a case that is related to this kind of circumstances. This goes back now more than 10 or 15 years ago, where a candidate held a series of fundraising events. The events were $100 events or $200 events. An individual actually contributed through these five or six events, without keeping a good track of how much he had actually contributed to the particular candidate. He exceeded the dollar amount by, I think, $50 or $75.

At any rate, the candidate then refunded the excessive portion of the contributions over $1,000 limit. It might have been the individual had contributed $1,200 or $1,050. Whatever the number was, it was relatively minor. The candidate was then fined by the FEC because he accepted excessive contributions. Notwithstanding the fact that the excessive portion had been timely refunded, the fact that the candidate accepted the contributions in excess of the ''per election'' $1,000 limit triggered a fine.

The candidate was informed by the FEC that if he had gotten a hold of the contributor and said, Didn't you mean the extra $50 was supposed to go to the primary election, or, Didn't you intend for your wife to contribute the $50, there would have been no fine in connection with the overage. The affirmative act of refunding the excessive portion of the contribution had no relevancy in terms of the allegation.

This amendment goes to part of that situation, and it is in everyone's interest, including the FEC, candidate and the contributor, to allow for a more efficient and effective method of streamlining this process than lending oneself to the possibility of an added bookkeeping problem.

It seems to me like a very sound and commonsense amendment. I am hopeful the FEC will agree with that. We will take a look at that over the weekend and keep the Senator and his staff informed as we ask these questions. Maybe we can do it together, with the staffs, so they can be fully informed as to the FEC's response to this.

I am very confident this amendment, or some technical modification of it, can be unanimously adopted. I hope it can be unanimously adopted by the Chamber.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I commend the Senator from Illinois for his excellent amendment. We look forward to its adoption on Monday. I am unaware of any additional amendments to be laid down on our side. Does the Senator from Connecticut have any on his side?

Mr. DODD. I have no additional amendments. My friend and colleague from New York has requested 5 minutes to speak, not on an amendment but on the bill.

Mr. MCCONNELL. I suggest I put us into morning business.

I ask unanimous consent that there be a period for the transaction of morning business——

Mr. SCHUMER. Will the Senator yield? I ask I be given 5 minutes at the beginning of morning business because I have to catch a plane. Otherwise, I will speak on this bill and ask for 5 minutes now, if that is OK with my colleague from West Virginia as well. He has been patiently waiting. Whichever way you want to do it is OK with me.

Mr. DODD. I yield 5 minutes to my colleague from New York.

Mr. SCHUMER. Mr. President, I thank the Senator for yielding.

I wish to alert my colleagues to another potential problem we face with this legislation as it evolves. I think the debate has been excellent. I compliment both the Senator from Kentucky and the Senator from Connecticut for a great job in handling this well, as well as Senator MCCAIN and Senator FEINGOLD for the job they have done in moving this forward. Those of us who advocate reform are very heartened by what has happened this week. It seems that no killer amendments have been adopted. Lots of changes have been made—good changes but no killer amendments.

Next week, of course, we know we face two known challenges and now there is a third one to which I want to alert my colleagues. The first, of course, is severability. We know that is coming. The second is the Hagel amendment. We know that is coming. The third relates to where this debate has evolved.

Right now it seems the consensus around eliminating soft money is congealing, but, in exchange, people say we should raise the hard money limits, raise the limits an individual can give from $1,000 per election, per cycle, to $2,000 or $3,000—there were proposals from the Senator from California and the Senator from Tennessee respectively on that—but also to raise the aggregate limits, the $20,000 that somebody can give to a party, the $25,000 of hard money that can be given.

I alert my colleagues to a potential problem, particularly if we raise these limits and do nothing else; and that is, what is the so-called 441(a)(d) money. That is money, of course, that the Federal parties are allowed to give to different candidates.

Right now it is limited. It is limited based on the population and the voting population of the State. For instance, in my State of New York, I think the limit is about $1.7 million and the party can give $1.7 million. It is probably considerably less in Connecticut or West Virginia or Arizona. It is larger in California.

The exact number is 2 cents multiplied by the voting agency population of the State.

What has happened, my colleagues, is this: There is a case that has already

been argued before the United States Supreme Court. It is called FEC v. the Colorado Republican Federal Campaign Committee. I happen to be an amicus on this case, as are many of my colleagues, including Senator FEINGOLD, among others. In the case, it has been argued that the limits on the 441(a)(d) money should be entirely lifted, that a party can give unlimited money to a Senate or a House candidate.

That, in my judgment, in itself, could obliterate the whole intent of McCain-Feingold, and it would be exacerbated dramatically if we raised the limits—not so much the $1,000 going to $2,000 but the aggregate limits: Take the proposal of my friend from Tennessee, that would triple the limits, I believe. That means every year if a person gives $60,000 to a party, that party, if it so wishes, can give the $60,000 back to that person's State directly to the Senate campaign.

We may call that hard money, but that money is as soft a hard money as there ever was because the difference between hard money and soft money, particularly now with recent Supreme Court decisions that have eliminated limits on party soft money, are now gone. So $60,000, to me, is as soft as money gets. You can call it hard because under the old law it is hard, but it is soft.

If we don't do something to reinstitute in whatever way possible the 441(a)(d) limits, and particularly, if we raise the aggregate hard money limits—not the $1,000 but the aggregate limits—we will have tremendous trouble and we may find that the whole reform we have sought today is for naught. If you can't give the money directly to a candidate or you can give the money not to the party in one way, and can give it this other way under 441(a)(d) with no limit, we have real trouble.

I say to my colleagues, with the help of Senators MCCAIN and FEINGOLD we are working on a proposal to see if we can deal with this issue.

Mr. DODD. I would like to engage in this discussion. My colleague is making a very good point.

Only here could we be sitting around saying that a total contribution amount of $25,000 per person annually is too low. If you take a husband and wife jointly that total amount becomes $50,000 annually, with the potential of each individual to cap his or her annual limit at $25,000 each. The most modest suggestion in other proposals, other than what is in S. 27, is to virtually double that annual amount. We are now talking about a family giving $100,000 in contributions. People are now suggesting that amount is too low. I find that stunning. What percentage of the American public are in a position to donate $100,000 to candidates a year? Or even under the current law at $25,000 annually for individuals—not that many individuals can afford to participate at that financial level. That amount exceeds the average income of a family of this country.

We start talking about campaigns and moaning as politicians that we can't live in a situation where people are limited to giving us $25,000 a year. I find it stunning this is even a part of this debate. We should be focused on eliminating soft money, and yet here we are about to drive a Mack truck through the hard money, as if people understand the distinction between soft and hard money. Money is money. I want to underscore the point my colleague is making.

Mr. SCHUMER. I thank my friend from Connecticut who made the point extremely well.

You can call this hard if you want, but it is as soft as soft money can be. Even in this Colorado case, most of the people who have watched the case have said the Supreme Court, given the past, will get rid of these limits, and then money just cascades in. There are no limits whatever.

I think if the 441(a)(d) limits are eliminated and we raise the hard money aggregate limits, there are a lot of candidates who will not bother to raise the $1,000 and $2,000 because they can do it in these big chunks. We ought to be very careful about this.

As I mentioned, I am trying to craft language that deals with this problem, but the Senator from Connecticut makes an excellent point. Until we have that kind of language in place, to even think of raising hard money aggregate limits would be a serious mistake.

Mr. DODD. Will the Senator yield?

Mr. SCHUMER. I am happy to yield.

Mr. DODD. I made a miscalculation, I apologize. I underestimated their generosity. I said $100,000, if you again combined a husband and wife, each with a $100,000 annual contribution cap. The new joint annual limit becomes $200,000. I forgot the limit is per calendar year here, but an election cycle means two years, so we are talking $200,000 per election cycle for a couple. I apologize to the Americans who want to contribute $200,000. I was depriving them of an initial $100,000. An election cycle is a 2-year time period.

Mr. SCHUMER. I guess that would mean for us that could be $600,000—yes, $600,000 because we run every 6 years. To get behind a Presidential candidate early on, it could be $400,000.

This is absurdity. This is a mockery of what we are trying to do. I hope we will be able, together, to fix this.

Mr. DODD. I thank my friend from New York. For purposes of edification, I know many of my colleagues and staffs are familiar with this, but perhaps other people may be interested in this discussion. Today, of course, we have limitations. Under current law, a candidate can receive $1,000 per election, or $1,000 for the election and $1,000 for the primary, so $2,000 is what most people do. That is per election, per individual. You then can contribute to PACs if you so desire, $5,000 per calendar year, and if you do it as a couple, of course, it is $5,000 for the individual, and $10,000 to the PAC. You can give $5,000 per calendar year to the State and local parties, you can give $20,000 a calendar year to the national parties with aggregate limits per calendar year of $25,000.

That is what current law is. Every suggestion, including the underlying bill, raises that. S. 27 raises the aggregate amount. Senator HAGEL, our friend from Nebraska, raises it to $75,000 per calendar year. Senator THOMPSON of Tennessee raised it to $75,000 and Senator FEINSTEIN has it to $50,000 per calendar year.

It is important for people to know it is per calendar year per individual. Normally, in the real world in politics, with a husband and wife, they each write checks, so take each of those numbers and double them. All Members know this. I am not stating something that is bizarre to my colleagues. That is how you do this. You ask the husband and wife, so you get double those amounts.

So we are talking, in one of the more modest proposals, Senator FEINSTEIN, that is $100,000 per calendar year, over 2 years it is doubling.

As I said a moment ago, only in this world could we be talking about the hardships being imposed on us as candidates by limiting people to $100,000 to $200,000 in hard money contributions to our election or reelection efforts.

The underlying purpose of McCain-Feingold is to try and reduce the amount of money in politics. Their focus is on soft money. I applaud that. I support that.

What Senator FEINGOLD said the other day is worth repeating: We need to stop assuming that there is a guarantee, almost by natural law, an assumption of exponential growth in the cost of campaigns; that that is nothing we can do anything about.

I reject that idea. I realize there will be increases in costs, but as I mentioned the other day, a statewide campaign from a few hundred thousand dollars to multimillion dollars average cost of Senator races in this country, does not have to be a self-fulfilling prophecy.

What Senator MCCAIN and Senator FEINGOLD are attempting to do, as are those of us who support what they are trying to do, is see if we can't slow this down, put some brakes on before this just becomes an absurdity where only a tiny fraction of Americans could only hope to seek a seat in the Senate or the House of Representatives.

Back in the founding days of this country, we had limitations on those who could hold public office. Only white males who owned property in the 13 original colonies could hold public office. We have eliminated all of those conditions, thank God, years ago. De jure, there are no limitations on who can sit in this body except by age and citizenship, and some other problems you can't have had—you can't be a felon and run. But aside from that, we don't put on limitations. But what has

happened de facto, if not de jure, is we have created a barrier for most Americans to ever think about having a seat in the House or Senate because, de facto, the cost of getting here is prohibitive. Either you have to have the money yourself, or you have to have access to the kind of dollars that would allow you to be a candidate in a statewide Senate race in the year 2001.

What Senator MCCAIN and Senator FEINGOLD and those of us who are supporting them are trying to do is see if we can't change this assumption, this assumption that there is nothing or very little we can do about this, and we are just going to continue to raise the amount of money we can raise from individuals and groups and go to political action committees, to national parties, and State parties. Instead, we say: Enough is enough; 25 years of this exponential growth—we ought to be able to do something to slow this down. And that is what we are trying to do.

S. 27 allows for increases. McCain-Feingold allows for doubling contributions, if a few instances, one being a calendar year from $5,000 to $10,000. We have the same amount as currently permitted going to national parties, and we have an aggregate limit increasing from $25,000 to $30,000 per year.

How many people in this country can write a check for $30,000 for Federal officeholders? And I am told that is too low. Too low? Too low?—$30,000 a calendar year, to write checks for politicians, is too low?

You would be laughed out of my State, the most affluent State on a per capita basis, if you stood and said this is too little. And that is, in effect, what we are saying. I don't think it is too little. We would do ourselves, this institution, and the political process a world of good by adopting the McCain-Feingold approach and living with it and learning how to live with the spirit, as well as the law, of S. 27.

The adoption of the Torricelli amendment the other day, which I think could save millions of dollars for candidates by insisting that these television stations not charge in excess of the lowest unit rate charge, will contribute significantly to our slowing down the rising cost of campaigns. And some of the other provisions that have been introduced to allow for a more expeditious and efficient way of reporting will help as well.

Before we close out the debate on this subject, I wanted to say after the first week of debate, this has been one of the more enlightening debates I have been a part of in the time I have been in the Senate. We have had very few quorum calls. We have had terrific participation by Members concerned about this issue in the form of offering their ideas and thoughts by amendment. It has been one of the better moments in the Senate in the last number of years, in my view. So I commend my colleagues for that.

I hope next week will be as enlightening and as helpful as we move forward. The hope is the ultimate adoption of the McCain-Feingold legislation—as is, with some of the improvements I know my colleagues will be offering.

I prefer we come along next week having made the positive changes we have made over this past week and ending up doing what some of these proposals suggest since the ideas are coming from both sides of the isle. But anybody who stands up and suggest to me that the reality—don't try to play games by what you write—this $50,000 per person per calendar year—cannot expect to smuggle the $50,000 through as the reality. The reality is it generally is per individual and spouse, which means as a practical matter, it is usually $100,000 per family. As a result, in an election cycle of 2-years, it is $200,000. If someone thinks they are going to smuggle that past this Member as a modest request, they have another consideration to make.

It is outrageous, excessive—there is nothing modest about it. It is what contributes to the feeling that so many Americans have about the political process in this country today. I look forward to the coming debate next week. It could get testy if we think these numbers are going to fly through without significant debate. Some of us Members think there are already ample limitations on contributions for individuals and ample room for people to make significant contributions in the political process.

Senator WELLSTONE made the point last week that it is less than one-half of 1 percent of the American public who make contributions of $1,000. Mr. President, 99 percent of the American public cannot even think about that level of contribution. I know for a fact most candidates will not bother with that 99 percent of the American public and ask for their financial help.

If you can get the $1,000, $2,000 and $3,000 contributions, then that is the pond you are going to fish in. You are not going to go out and raise money in $50 and $20 and $100 contributions from average citizens.

I think there is something terribly dangerous about excluding average people from financially participating in the political life of America. That is what we are doing. That is the reality of it. There is not a single candidate who will bother with these people except to create some political event but not as a fundraiser. You will not be raising money from average Americans. You will be going after the big-dollar givers, and there are only a handful in this country who can make those contributions. The idea that we have to double and triple the size of that contribution limit is shameful.

I look forward to the debate next week. Hopefully the majority of my colleagues will reject those unnecessary increases in hard money individual contributions.

With that, I yield the floor. I did not see my friend from West Virginia behind me. Mr. President, I yield the floor.

## MORNING BUSINESS

Mr. DODD. Mr. President, I ask unanimous consent the Senate now proceed in morning business.

The PRESIDING OFFICER (Mr. CHAFEE). Without objection, it is so ordered.

The Senator from West Virginia.

## NO BUDGET MARKUP

Mr. BYRD. Mr. President, yesterday the Senate Budget Committee held its last hearing on the President's budget plan prior to the Senate consideration of the budget resolution. As a new member of the Budget Committee, I would like to take a moment to commend Chairman DOMENICI and ranking member CONRAD for a series of thought-provoking hearings on the future challenges facing our Social Security and Medicare programs, on our efforts to improve the education of our children, and to address our Nation's infrastructure deficit and national security needs.

During the hearing yesterday, I inquired of—we often say ''our good friend,'' my good friend Senator DOMENICI. When I say ''my good friend,'' I mean just that; my good friend, Senator DOMENICI—about the prospects for the Budget Committee marking up the budget resolution prior to the April 1 reporting deadline contained in the Budget Act.

Let me say at the beginning of my remarks, again, I am a new member of the Budget Committee. Of course I was around 27 years ago when we created the Budget Committee, and I took a very considerable interest in the preparation of the Budget Act in 1974. I spent a great deal of time on it. So although I come as a new member of the committee, I am not wholly unaware of the fact that I have been around as long as the committee has and perhaps a little longer—longer than the Act itself.

One thing I try to remember is not to take myself too seriously. Sometimes it is pretty hard to avoid taking one's self too seriously. I try studiously to avoid that.

But I do take seriously the work of that committee. We have a great chairman. Senator DOMENICI is a very diligent Senator.

The Bible says: ''Seest thou a man diligent in his business? He shall stand before kings.''

Senator DOMENICI is diligent in his business. I have no doubt that he has stood before kings in his tenure as a Senator.

I admire him on top of all these things. I think he is a congenial person. I like him. It doesn't make any difference how this situation comes out—what the outcome of the budget action may or may not be. It isn't going to intervene in my admiration and my affection for Senator DOMENICI,