

Only one in four Medicare beneficiaries or 24 percent has private sector coverage provided by former employers to retirees. I might point out, that the number of firms offering retiree health coverage dropped by 25 percent from 1994 to 1998 (Foster-Higgins research firm).

Currently, less than 1 in 10 Medicare beneficiaries has drug coverage from a supplemental Medigap plan. Costs for these policies are rising rapidly, by 35 percent between 1994 and 1998 according to Consumer Reports.

We need to talk about these two drug bills on the House floor today. The ranks of people of the age 65 will double to 70 million by the year 2030. On average, people over 65 fill between nine and a dozen prescriptions a year, compared with two or three for people between the ages of 25 and 44. These numbers are not hidden from the general population. They are in the Wall Street Journal. However, if the elderly do read and must make a choice between reading the Wall Street Journal and obtaining drugs to maintain daily life, perhaps, they are hidden from the population that is currently on Medicare.

I could go on, Mr. Speaker, but I feel that it is time to bring these bills to the floor. Therefore, I request the discharge of these two bills.

HMO REFORM AND CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore (Mr. COOKSEY). Under the Speaker's announced policy of January 6, 1999, the gentleman from Iowa (Mr. Ganske) is recognized for 60 minutes as the designee of the majority leader.

Mr. GANSKE. Mr. Speaker, I want to speak about HMO reform and about campaign finance reform today. Let me start out with HMO reform.

A few years ago down in Texas, the Texas Legislature passed a series of HMO reform bills almost unanimously in their State legislature. These bills addressed issues like emergency room care. If you had a crushing chest pain and thought you were going to have a heart attack, you could go to the emergency room and then the HMO could not come back and say afterwards if the EKG was normal, well, we are not going to pay for this.

The Texas legislature addressed issues like access to specialists. They addressed issues like when an HMO would say we do not think that that treatment that your doctor and your specialist have recommended is medically necessary and then deny that care just arbitrarily.

So they held a big debate in Texas. This was now about 3 or 4 years ago. And the Texas legislature passed a series of bills, some of them almost unanimously, without dissenting vote I think in the Texas Senate and maybe with only two dissenting votes in the Texas House, sent those bills to the governor's desk, and he allowed them to become law.

At that time, the HMO industry in Texas said the sky would fall, the sky

would fall. You will see a plethora of lawsuits; you will see premiums go out of sight; you will see the HMO industry in Texas shrivel up and move away.

Well, what has been the actual result? The actual result has been that, since Texas passed its law, there have only been about four lawsuits filed in the last several years; and those were primarily when the HMOs did not follow the law. The premiums did not go up significantly. There were 30 HMOs in Texas when the bills were passed, and there are over 50 now. That law is working.

So we passed a bill here in the House that was modeled after that Texas legislation, legislation that Governor Bush, for instance, has said that he agrees with and thinks ought to be Federal law. We passed that bill. And, once again, the HMOs said, the sky will fall, the sky will fall; premiums will go out of sight; etcetera.

Well, we got a score back from the Congressional Budget Office on the cost of the bill that we passed here on the floor by a vote of 275-151. And over 5 years, the Congressional Budget Office said the cost of that legislation would cause premiums to go up about 4.1 percent total, nothing in the first year probably, and then maybe about 1 percent each year for about 4 years and that would be it.

The cost of that reflected in the average premium for a family would be about the cost of a Big Mac meal once a month. Not exactly the sky is falling, the sky is falling. In fact, the part of the bill that cost the most was the part that is designed to prevent lawsuits, and that was the internal and external reviews part.

So I would call my colleagues' attention to the Congressional Budget Office. But be careful, because the HMO industry in the past has said that these percentage increases are annual percentage increases. That is wrong. When we see 4 percent, okay, that is 4 percent cumulative over 5 years. So be careful on that.

Mr. SHAYS. Mr. Speaker, will the gentleman yield?

Mr. GANSKE. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Speaker, I have seen the gentleman from Iowa (Mr. GANSKE) on the floor of the House so many times talking about this issue. And I have learned a lot. I have learned a tremendous amount, and it was ultimately why I was very happy to support his legislation.

I represent a district with a lot of Democrats, a lot of Republicans, a lot of conservatives, a lot of moderates and liberals. It is a very mixed district. But in one town meeting I had in Greenwich, Connecticut, which is pretty much a more conservative area of my district, I had a number of people at a town meeting. They were young. They were old. I could tell from the

very issues they were talking about that they were the whole range of the political spectrum. And I asked this question, I said, "How many of you think that if an HMO causes the injury or death of someone that they should be held accountable or liable?"

I expected about maybe two-thirds of the hands to go up. Every hand went up. In fact, in some cases both hands went up. And then there was story after story. And I also submitted to my constituents a questionnaire asking them about health care and there were various choices, and one of them was we should keep the health care system the way it is. Only 3.5 percent responded that we should keep it the way it is. This really kind of shocked me. Twenty-five percent wanted to eliminate HMOs.

Now, I am a strong supporter of health maintenance organizations, but to have 25 percent of the 15,000 people who responded to my questionnaire wanting to get rid of HMOs for me was a big wake-up call. And it just spoke volumes about how we need to do what is in the legislation that my colleague has championed. To be able to have a process that would encourage people to get the proper health care that they need without going through a litigation process makes eminent sense. But, in the end, there always has to be that final hammer to try to encourage sometimes proper behavior.

I want to thank my colleague for being such a fighter on this issue. And I know and I hope that we will eventually get to another issue that is near and dear to both him and me. But I appreciate what he has done for so long on this issue.

Mr. GANSKE. Mr. Speaker, I appreciate my colleague from Connecticut (Mr. SHAYS) joining me for this special order because I think that we are going to have some fun with some of these issues.

This is one of the reform issues that we are dealing with here in Congress. My colleague has been a leader on one of the other reform issues, and that is campaign finance reform; and I have been happy to work with him on that issue. I am glad that he is here. Because now that this issue, campaign finance reform, has really come to the front of the presidential campaigns, I hear things said by some candidates that make me concerned. It is almost like you could not be a Republican if you support campaign finance reform, even though there are a lot of Republicans who support campaign finance reform.

There are a lot of Republicans who support campaign finance reform, and I worked with the gentleman from Connecticut (Mr. SHAYS) on this issue all across the political spectrum. I have a pretty darn conservative voting record, and there are lots of other conservatives who have joined with him on

this issue because we feel so strongly that this is so important to the honesty and integrity of our political system.

I mean, we have a gentleman like the gentleman from Tennessee (Mr. WAMP) who is really a conservative Republican. We have a conservative Republican, the gentleman from South Carolina (Mr. GRAHAM), who has stuck with us on this issue. And so I want to address the issue today.

When we talk about campaign finance reform, let us do a little education of our colleagues on this. I wonder if the gentleman from Connecticut (Mr. SHAYS) can sort of share with us how this issue got started really full blast in 1995 and 1996. Why do we need campaign finance reform?

Mr. SHAYS. Mr. Speaker, there are a number of reasons why we need it; and we need it more desperately as each year goes. But I would first say that we have needed to reform the system for many years.

One of the things that is very clear is we have had a hard time finding consensus because we each have our own campaign finance reform bill. So one of the first key things to do was to see if we could build consensus amongst different groups.

But in terms of why we need it, we need it because, in this democratic system of government, we need to make sure that decisions are being made based on merit and based on what is right for our country and not based on who gave me this campaign contribution or that campaign contribution.

□ 1745

When you had the abuses in 1974 centered around Watergate and all that was involved, the majority party made two decisions. One, they were going to hold President Nixon accountable and they were secondly going to reform the system. They did both. I have been hard pressed to know why we did not take the same tack as this new majority. We needed to hold President Clinton accountable, and we needed to reform the system. Our failure to reform the system then calls into question in the minds of some of our constituents, "Well, you're just doing this to get the President." No, we needed to hold the President accountable, but then we needed to reform the system to make sure the decisions, to the best of our ability, are based on merit, not based on the kind of money that was contributed.

Now, in 1974 they devised a system, you would limit what a candidate could spend and you would limit what a candidate could raise in terms of individual contributions, and you would have a system where both of them worked. The Supreme Court said it is constitutional to limit your overall individual contributions but you cannot limit what someone spends, so a

wealthy person can spend whatever they want, and a wealthy person under the law can spend whatever they want helping a particular candidate as long as they do not work with that candidate. But once they begin to work in tandem with that candidate, then they come under the contribution limitations. Those contributions were \$1,000 for an individual and \$5,000 for PAC contributions.

One of the confessions I would say as I worked on this issue, I thought the real problem were the political action committees because they were, quote-unquote, the "special interests" and so I looked to eliminate political action committee money. As I went around the country and around my State arguing on this issue and debating people, I felt I was losing the argument. I began to realize that people had a right to assemble under a political action committee for whatever special interest they want. And then a candidate has the right or not to accept it. But a political action committee contribution is \$5,000. That is it. That is the limit.

Soft money, which is the unlimited sums contributed by individuals, corporations, labor unions, and other interest groups have made political action committee money look saintly because it is unlimited, and it has brought in such incredible amounts of money that most reasonable people could concur, and concur rightfully, that Members' votes are affected by the large contributions that are given.

Mr. GANSKE. Let us take an example from today. Governor Bush has raised \$67 million. There is nothing wrong with that. That money that he raised was from individual donations under Federal law at \$1,000 maximum per individual.

Mr. SHAYS. That was the maximum that he could receive.

Mr. GANSKE. That was the maximum he received. He received millions of smaller contributions, just as all the presidential candidates have. That is the current law. We ought to be clear. There is nothing wrong with that. You do not think there is anything wrong with that. I do not think there is anything wrong with that. I do not think there is anything wrong with a political action committee working on an issue, getting people of a similar interest together, forming a political action committee and making a contribution under current law to a candidate.

I would say that that is not what we are talking about, where the problem is. For goodness sakes, Governor Bush with \$67 million, does anyone think that any one of those \$25, \$50, \$500, or even \$1,000 donations is going to unduly influence the Governor from Texas? Of course not. Just like it does not influence anyone here in Congress. However, what we are talking about in the soft money area is not a maximum of \$1,000. We are talking about dona-

tions of half a million dollars or one million dollars from individuals, or from labor unions, or from corporations, donations of that magnitude that are basically unregulated by the Federal Election Commission, that were originally designed for party building. We will talk about the issue ads.

Mr. SHAYS. Let me if I could just say that the significance is that soft money creates a gigantic loophole. It allows corporate treasury money to be contributed, whereas the law in 1974, the individual contribution limits and the political action committee never allows for corporate treasury money to be contributed to a candidate. It allows for labor unions to get around the law because it is illegal for labor unions to contribute to political campaigns.

Mr. GANSKE. Other than through their political action committee.

Mr. SHAYS. They can set up a political action committee and they can advertise and their members can also contribute as individuals. But the 1974 law made it illegal for foreign individuals, not citizens of the United States, not residents of the country, made it illegal for them to contribute, but they too can contribute soft money. It is the gigantic loophole.

Let me just back up and give a little more detail. In 1907, Theodore Roosevelt got elected, he actually got elected before then, but he got elected using corporate treasury money. The public was outraged by it, and Theodore Roosevelt and Congress decided to ban any corporate treasury money from being contributed to campaigns. They did not mind individuals contributing. They thought it was wrong for corporations to contribute.

In 1947, actually earlier during World War II, it was illegal for union dues money to be used in campaigns. And then Congress codified this executive order in 1947 in the Taft-Hartley law, making it illegal for union dues money to be contributed to campaigns. And in 1974, Congress and the President made it illegal for foreign money to be contributed to campaigns. Now, the amazing thing is it is illegal and yet all three things are happening.

I know my colleague has his own personal experience as it relates to union dues money, but beforehand let me just introduce what I saw in the newspaper on February 13. This was an AP story. It said, "The labor federation is committing \$40 million to put GORE in the White House and to win back control of Congress for its allies, traditionally Democrats." I look at this and I say \$40 million of union dues money, that is illegal. They cannot do it. Except they can do it with this soft money loophole.

Mr. GANSKE. This brings back to me vivid memories of 1995 and 1996. Let me give the gentleman an example. In 1995, President Clinton started his White

House soirees and fundraising and the Lincoln Bedroom and all of that and helped the Democratic National Committee raise \$44 million, basically through soft money, donations, large donations that came from individuals, corporations, and labor unions and went to the Democratic Party. Now, that money is supposed to go for party building. What did it go for? It went for this. Here was an ad that was run against Senator Bob Dole, paid for by soft money.

"America's values, Head Start, student loans, toxic cleanup, extra police, protected in the budget agreement. The President stood firm. Dole-Gingrich's latest plan includes tax hikes on working families, up to 18 million children face health care cuts, Medicare slashed \$67 billion. Then Dole resigns, leaving behind gridlock he and Gingrich created. The President's plan? Politics must wait. Balance the budget, reform welfare, protect our values."

Now, that is a campaign ad. I have seen a lot of campaign ads, and that was run all during the summer of 1996 when Senator Dole did not have any money. And it was raised from soft money.

Mr. SHAYS. But there are really two parts to this.

Mr. GANSKE. There are two issues here, I agree. One is the issue advocacy ad and the other is the soft money. But the funding for those ads came from soft money. Now, I do not have a problem with a labor union forming a PAC and using that PAC money, under the rules for those ads.

Mr. SHAYS. The reason you do not have a problem is it is voluntary, the members can contribute or may not but it is not taken out of their union dues money.

Mr. GANSKE. Let me give the gentleman another example. The Democratic National Committee ran this ad. Soft money again.

"Protect families. For millions of working families, President Clinton cut taxes. The Dole-Gingrich budget tried to raise taxes on 8 million. The Dole-Gingrich budget would have slashed Medicare \$270 billion and cut college scholarships. The President defended our values, protected Medicare and now a tax cut of \$1,500 a year for the first 2 years of college, most community college is free, helps adults go back to school. The President's plan protects our values."

Paid for by soft money.

Here is one. This is a really interesting ad. This is from 1995-1996, paid for by soft money to Citizen Action from the Teamsters. We can talk about this connection. This is how corrupting the soft money can be, but here is the ad that Citizen Action put out:

"They've worked hard all their lives, but Congressman Cremeans voted five times to cut their Medicare, even their nursing home care, to pay for a \$16,892

tax break he voted to give the wealthy. Congressman Cremeans, it's not your money to give away. Don't cut Medicare. They earned it."

Soft money paid for it.

An investigation was done on this. The Teamsters set up a deal. They gave a big contribution from their union funds to Citizen Action, which is fine. They can give to charitable organizations. The deal was that Citizen Action would give back money to one of the candidates running for President of the Teamsters, and the Democratic Party was involved in this, also. But the point of this is that this is where these big chunks of money can be moved around behind the scenes. And we do not even know who gave the money to some of these organizations that run these ads. It is, quote, soft money. We do not know how the money is intermingled with legitimate contributions to parties and then with these huge soft money donations.

Here is another example of a soft money donation. I know this one real well, because this one was run against me:

"It's our land, our water. America's environment must be protected. But in just 18 months, Congressman Ganske has voted 12 out of 12 times to weaken environmental protections." By the way, I sent a rebuttal on that to the Des Moines Register. "Congressman Ganske even voted to let corporations continue releasing cancer-causing pollutants in our air." By the way, I helped pass one of the best environmental bills. "Call Congressman Ganske. Tell him to protect America's environment, for our families, for our future."

Soft money. And also the issue ads.

We need to think about what brought this on primarily. We saw in the 1995-1996 election cycle an explosion of behind-the-scenes giving of huge contributions by individuals, corporations, and unions to parties; and then the parties took that money and they did not use it to just go out and get a voter registration guide, they used that money for issue ads on TV that were nothing less than full campaign attack ads. Independent surveys have shown that 80 percent of those, quote, issue ads were actually attack ads.

Mr. SHAYS. I am torn by this feeling that I want to kind of clarify and be a little more precise between soft money and what I call sham issue ads, which are really good campaign ads, much like you might want to correct me in some of the intricacies of HMO reform.

Mr. GANSKE. Some issue ads are funded by soft money.

Mr. SHAYS. I am going to hope the gentleman will be patient with one aspect of this. Congress last year passed in early September campaign finance reform. It was a bipartisan effort.

It dealt with four basic issues. First, it banned soft money, thereby getting

rid of the loophole that allowed corporations, labor unions, and foreign money to filter itself into campaigns because soft money was not defined as campaign money even though you have clearly illustrated it is.

Second, we called the sham issue ads what they are, campaign ads. We do not ban them. We call them campaign ads. As soon as you do that, out goes the corporate money, the union dues money, and foreign money. And really what you were faced with in a technical term, soft money goes to the political parties, and it goes to the leadership PACs.

□ 1800

You were faced with the unions taking, frankly, union dues money, and spending it on a sham issue ad, but because it was not called a campaign ad. The 1947 Taft-Hartley law did not come into effect. You were basically faced with this almost unlimited sum of money that kept coming in.

The third thing that we did is we required FEC enforcement, Federal Elections Commission enforcement, right away, and we had disclosure on the Internet right away, filing on the Internet and disclosure on the Internet, so the FEC could hold you accountable before the election, rather than 6 years after.

There is that wonderful memo, I call it wonderful, from Mr. Ickes to the President that said to the President, we are going to be fined about \$1 million because of campaign violations. He said this while the campaign was going.

The President, this is what I consider wonderful, the President wrote next to it, "ugh," in his signature. He knew they were breaking the law, he was not happy about it, but he also knew it would be dealt with 3 or 4 or 5 or 6 years later and the public would not be focused on it.

The last thing we did was establish a commission to look at all the things we have not dealt with. Without getting into a lot of detail, maybe the individual contribution limit should be increased, maybe the amounts contributed to the political parties should be increased, maybe 50 percent or more of your contribution should be in State or not. We did not deal with those issues, because when we started this conversation, we were trying to build a consensus on a bill we could pass.

This bill went to the Senate, and this bill had more than 50 percent of the Members supporting it, 55. The bottom line to it was it needs 60 percent. So you had 52 members supporting it, 53, 54, 55; but you need 60 to break the closure, that would invoke closure, so you could then vote on the bill.

So a majority in the Senate support campaign finance reform. I would love to get into this area that I just think is the reason why I am really out on

this floor today. You are a Republican; I am a Republican. We could have invited our Democrat colleagues to participate. But we supported this bill.

One of the things we are hearing is quote-unquote "This bill will hurt Republicans." Well, I would like to make a few comments. First off, that is truly an irrelevant statement if in the end we are doing what is right for the country. Now, it is not irrelevant that it should treat both parties fairly; one should not gain an advantage over the other. That is clearly the implication of the argument.

But it is not really about that, and I believe that some of the opponents who say that really do not believe it. What I think they think is it will hurt certain people in the party. It will hurt those who have been able to amass great sums of money; and then they, some leaders, the national parties, get to dole it out to the candidate who is doing what they want.

So not only are you seeing a corruption of this process with big corporate money and big union money and foreign money, which is made legal through the sham-issue ads and the soft money, not only have you seen that kind of corruption; but we are seeing another kind of corruption, because some people get this money, and then they are able to direct it to the people they want to have it.

You know what, you may not get that money, Mr. GANSKE, because you may not be in the image that they want you as a Republican. The Democrats may not see some money, certain Democrats, because they are not in their image, even though you are representing your constituents exactly the way you should.

Let me get in more detail, if you would allow me.

Mr. GANSKE. Let me just interject. The gentleman is right. I was talking about two issues at the same time. One was the issue of personal advocacy and the other was soft money. Some of these issue ads were run with millions and millions of dollars of soft money, i.e., the ads that President Clinton ran through the Democratic National Committee.

It is reported, but it is in unlimited amounts.

Mr. SHAYS. If it comes from the political parties, if it comes from some leadership PAC, it is probably soft money. But the union dues money and all the special interests, they do it primarily through the sham-issue ads.

Mr. GANSKE. And the sham issue ads may be funded by soft money, i.e., if they are paid for by the national parties. But they may also be paid for by who knows who.

Mr. SHAYS. Who knows.

Mr. GANSKE. Who knows. Who knows. Then you have basically a lack of truth in labeling, because you could have some committee set up that

sounds great, the Committee to Save Medicare or something like that.

Mr. SHAYS. And you do not know who is a part of that.

Mr. GANSKE. You do not know who is part of that. But, you know what? Maybe some of those funds were given to this "charitable" organization out of a national party, and those were soft money funds used by those donations from the national party.

We have talked about the Democrats, okay, and the examples I have given were that. This occurs on both sides of the aisle.

Mr. SHAYS. It is more fun to talk about the other side of the aisle. Is that what you are telling me?

Mr. GANSKE. What I want to say is this: I agree with you. This should not be an issue decided on what is the best thing for my party, okay? I do not make that kind of decision when I look at this legislation. I think about what is best for the country.

It looks to me like when everyone in the country knows that special interests here in Washington are giving millions of dollars at a time to gain access, to maybe put a bill on the floor or keep a bill off the floor and to influence legislation, then it really hurts the process.

But I would also say this: the bill that we passed here in the House of Representatives, the Shays-Meehan bill, that was a fair bill. It was fair to both parties. Both parties have been involved in this soft money issue, both sides have used issue ads. In my opinion, this is a fair bill, and we ought to talk about that for a bit.

Mr. SHAYS. I would love to just talk about the actual numbers. So you and I do agree that the first issue should not be does it help or hurt one party; it should be what is in the best interests of our country to save our democracy from these unlimited sums of corporate and union dues money and other special interest money, the unlimited sums. But I could ask it in reverse and say how would this have hurt our party?

Well, you could say well, just take the 1996 presidential election. Republicans raised in soft money \$138 million. Democrats raised \$124 million. Both raised a significant sum of money, which, by the way, certain people can direct just to the places they want to direct it to. So Republicans would have lost that \$14 million advantage. But it is \$14 million. When you are looking at numbers of \$124 and \$138 million, it is a small percent.

By the way, right now our colleagues on the other side of the aisle have raised more soft money in the DNC, in their congressional committee, than Republicans have.

Mr. GANSKE. If the gentleman would yield, we just saw a report in Roll Call, the newspaper that covers the Hill, that shows that the Democratic Con-

gressional Committee has raised more in soft money than the National Republican Congressional Committee.

Mr. SHAYS. Right. So some years we might raise more; some years they may. But just comparing 1996, what my side of the aisle does not want people to know, those people who oppose campaign finance reform, in hard money, this blows my mind, Democrats raised \$221 million in hard money contributions.

Mr. GANSKE. These are the maximum \$1,000 donations.

Mr. SHAYS. The difference between soft and hard money, soft money is unlimited, hard money is limited campaign contributions. The Supreme Court said clearly, they just affirmed it in the Missouri case just a few weeks ago, it is constitutional and proper to limit what individuals can contribute. In the limited dollars, which we do not impact, Democrats raised in 1996 \$221 million. That is a lot of money. What do you think the Republicans raised? Democrats raised \$221 million. Republicans raised \$416 million. So we saw \$195 million raised more by Republicans than Democrats in hard money, and we do not change that law.

Now, I will say what I think evens it out is my colleagues on the other side of the aisle have a lot of friends in Labor. While Labor cannot under our bill contribute soft money, and while they cannot have the sham-issue ads where they can use union dues money, they can still have ads; but they have to use political action committees. They still have a plethora of union workers to go to the polls and stand outside. So they have a clear advantage there.

We have a clear advantage in the hard money contributions. They have a clear advantage in the number of workers they can get out on election day and make some calls beforehand.

But our bill prevents all that. Corporate treasury money that goes to both parties, all the union dues money that goes, it is illegal. It has been against the law since 1907 for corporate treasury money to be contributed to campaigns; it has been against the law since 1947 for union dues money, and against the law since 1974 for foreign national money.

Mr. GANSKE. If the gentleman would yield, because I think this is important, some people talk about paycheck protection as a part of campaign finance reform. By that they mean that every so often an employee who is in a labor union would have to give affirmative assent to having part of his dues used for political purposes. But tell me what the current law is on that?

Mr. SHAYS. The current law is it is illegal, and I have a hard time understanding why my side of the aisle wants to legalize a process where if we are just talking now as Republicans who are being criticized for somehow

allowing unions to do something that Republicans do not want; it is against the law for union dues money to be contributed to campaigns.

Mr. GANSKE. Is it not true that a member of a labor union can tell his union, I do not want any of my union dues used for that?

Mr. SHAYS. That is another issue. I would just like to respond to that. Let me make this point, and I will get right to that point. I have a personal example to respond to your question.

The point that I first want to make is, paycheck protection, I voted for it. But paycheck protection would allow a union member to use his union dues in campaigns when the 1947 law makes it illegal. I am hard pressed to understand why my side of the aisle, that professes not to want to see union dues money in campaigns, why they would want to allow union dues money to be used if a union member says fine, because it is not necessary. A union member can contribute to a PAC.

Why would they want to overturn the 1947 law that makes it illegal? They should want to enforce it by banning the sham-issue ads, out goes the corporate and union dues money, and enforcing the 1947 law that says the corporate money goes out.

What I am talking about is a very interesting issue, the Beck case. I can give you a real live example. Someone in my family, a schoolteacher, supported the Republican candidate. Before the Republican candidate could even be interviewed by the labor unions, her teachers' union, the CEA, the Connecticut Education Association, they had already endorsed the Democratic candidate.

My wife was a Republican and supported the Republican. She was outraged that they did not, "outraged" is a strong word, she was unhappy. She voiced her unhappiness, rightfully so, and she learned that she did not have to have her union dues money go to this. She just simply said, Take me off as a union member; I will pay the agency fee.

Now, that is the way the Beck law works. The problem is, and we have it in our bill that passed, we need the unions to proactively tell their employees that they do not have to see any money go for this.

Mr. GANSKE. This is a very important point, because this is part of the bill that we passed in the House.

Mr. SHAYS. Yes. And the bill that we passed in the House made it a proactive responsibility of the union to notify their members that if they did not want their union dues money to be going to any campaign through the soft money, that loophole, and the sham-issues ads, that other loophole, they could say they did not want it and withdraw as a member of the union and still pay the agency fee, which is the union dues money minus what goes for political purposes.

My wife took advantage of it. She took advantage of it, and for a number of years her money was not contributed to places she did not want. The sad thing clearly was that she was forced to have to withdraw from the union.

Mr. GANSKE. I think it is also true that some Departments of Labor under different Presidents more vigorously than others required that that Beck decision be made known to members of unions.

Mr. SHAYS. And the Beck decision was this: it was a decision that if you were not a member of a union, you did not have to have your money go for political purposes. It was not a decision that said if you were a member of a union that you did not have your money go. You had to leave the union, and then your money did not go for political purposes.

□ 1815

Mr. GANSKE. Now, some people say that these issue ads, banning them would just protect incumbents. I disagree with that. Issue ads are run on both sides. They are run for incumbents, and they are run for challengers. Would the gentleman care to respond?

Mr. SHAYS. Mr. Speaker, that is true. The point I need to make is issue ads can continue as campaign ads. It is a real surprise to me that people said, if we do not allow an issue ad, we have deprived people of their voice. No. They can still advertise. If one is a strong believer in right to life, one can raise as much money from one's members under the requirements of the law, and whatever one raises, one can spend.

Does anyone doubt that the right to life organization has the ability to raise millions and millions and millions and millions and millions. A good example, actually, Right to Life right now is attacking one of the candidates who is supporting the bill that we support. They are saying that he has denied them their voice. The interesting thing is, this time, they are using PAC contributions.

So they have affirmed that they can do exactly what we said they could do. They are right now campaigning against one of the candidates in South Carolina. This is an individual that they campaign against who is pro-life, but they do not like the fact that they support legislation to ban soft main and sham issue ads, campaign ads, and they are advertising against that person, not with sham issue ads, they are doing right up front. They are doing it with political action committee money.

Mr. GANSKE. Mr. Speaker, this needs to be reemphasized. When we are talking about banning phoney issue ads, we are not talking about organizations that cannot put up those ads. We are just talking about the way they have to be financed.

Mr. SHAYS. Exactly, Mr. Speaker. The key is that if one calls it a campaign ad, out goes that corporate treasury money and the union dues money, which is, it seems to me, what both sides of the aisle should want to have happen.

Mr. GANSKE. Mr. Speaker, there are many proposals out there for campaign finance reform. One of the more interesting ones I have recently seen was a proposal that would prevent incumbents from transferring funds from one Federal campaign to another, i.e., let us say that a Member of the House had a campaign fund set up for his reelection to the House, but then he decided to run for the Senate. Under current law, one can roll that over, whatever amount one has in there over into one's Senate run.

Now, I would suggest to my colleagues that the reason why whoever wrote this bill in the Senate did not think that that was a good idea was because if one was a Senator and one included a provision that said, nobody in the House could roll over their House congressional fund into a Senate fund, that would be a Senate incumbent protection act.

Mr. SHAYS. Mr. Speaker, as we debate this issue, there are so many responses one can make as to why someone would support legislation or not. Actually, there is a part of me that thinks that makes sense and the gentleman does not. It is a wonderful illustration of how we came together on the four key points. Because there were a number of people, particularly on my side of the aisle, and I happen to agree with them. I think most of the money should be raised in State. I do not think one should raise most of the money out of State.

Mr. GANSKE. Mr. Speaker, I agree with the gentleman.

Mr. SHAYS. The challenge we had, there were others who came from districts that were very poor and had to reach out across district lines who were supporting the legislation where we were able to build consensus with our colleagues on both sides of the aisle. This truly was bipartisan, and with respect to my Democrat colleagues, there were more Democrats who supported this legislation than Republicans, but there was a large number of Republicans as well that did.

Bipartisan bill: Ban soft money, call the sham issue ads what they are, campaign ads, and by doing that we eliminate the loophole and enforce the 1907 law that bans treasury corporate money, the 1947 law that bans union dues money, and the 1974 law that makes it illegal for foreign governments to contribute to campaigns. It just seems to me such a sensible way to proceed.

One of the things, in closing; we do not have to use all of our 14 minutes left, or now 10, but I would say to the

gentleman that I am excited by the fact that campaign finance reform has proved to be an issue the American people want debated. It is not just about the issue of campaign finance, it is about something a little deeper, and that is what do we do to protect the integrity of our democracy; what do we do to protect the integrity of the House and the Senate and the White House. These are very big issues.

When I asked this question in my questionnaire, I made a statement, I asked my constituents to say whether they agreed or not and 15,000 responded. In this number, a total of 82 percent of my constituents believe this statement: that our democracy is threatened by the unlimited sums contributed by corporations, labor unions, and other interest groups, and they are right.

I am excited, because we are going to hear a debate tonight on our side of the aisle, and I think campaign finance reform is going to be a major factor. I hope both candidates will support banning soft money and calling the sham issue ads what they are and having people advertise campaign ads and pay for them as campaign ads. If we see that happen, I think we will see our democracy not under the thumb of so many special interests.

If I could have the courtesy of my colleague just to say to him that some of our colleagues take offense by my suggesting that somehow, we have been compromised. But the fact is, when we get \$100,000 or \$500,000 or \$1 million that goes to one group on one issue, one has been compromised. This system slowly corrupts everyone that is in it.

Mr. GANSKE. Mr. Speaker, even if there is not wrongdoing, then there is certainly the appearance of wrongdoing.

Let me give the gentleman an example. One of the largest contributors to the Democratic National Committee was the chairman of Loral. Now, Loral needed an authorization to sell satellite technology to China. The administration gave them that authorization even though it is possible that that technology is now being used on missiles from China, based in China that can target the United States with nuclear weapons.

Now, I do not have the information to know exactly how that decision was made by the administration, to give Loral authorization to sell that technology to China, but I do know this: that when the public sees that this CEO gave \$350,000 or some such similar very, very large amount in soft money to the Democratic Party, then the public starts to wonder whether, in fact, that type of huge soft money donation has influenced policy. I think that is very detrimental to our public process.

Mr. SHAYS. So, Mr. Speaker, the bottom line is, we would like to restore

some sanity to this process and a majority of Members in this House want to, a majority in the Senate want to, but not enough to end debate and to have an up or down vote on campaign finance reform.

But the American people are being exposed to this issue and candidates, all four of the major candidates now are coming forward with their versions of campaign finance reform, and in every instance touching at least on soft money as it relates to corporations and union dues; some reluctant to deal with the sham issue ads.

It is a healthy debate, it is one that the American people are paying attention to, contrary to what some of our colleagues here said that the public just does not care. They care a whole lot about this issue, of restoring integrity to our political system.

I really thank my colleague for letting me join him in this colloquy and for the opportunity to speak, and I thank our Speaker for his patience in allowing us to have our full time.

Mr. GANSKE. Mr. Speaker, I thank my colleague from Connecticut for being a leader on this issue, and I hope that Congress is able to proceed with actually getting some legislation signed into law.

Mr. SHAYS. Mr. Speaker, I would be derelict in my duty if I did not acknowledge that the gentleman too has played a major effort in this, and in many cases more than I have in the gentleman's constant effort and his own personal experiences in dealing with the flawed campaign system.

BLACK HISTORY

The SPEAKER pro tempore (Mr. KINGSTON). Under the Speaker's announced policy of January 6, 1999, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, we passed a bill today which deals with black history. Black history is being featured this month, the month of February. A number of my colleagues said they might join me to go further in the exploration of important aspects of black history tonight. I welcome them.

I also think that what I have to say tonight about the budget and the proposed Congressional Black Caucus alternative budget is very much related to our concerns with black history. There is an opportunity here with this budget this year and the budgets that come for the next 10 years, an opportunity to deal with an overriding question that ought to concern more Americans, and that is what does one do about the impact and the long-term effects of the 232 years of slavery, the 232 years which denied one group of Americans the opportunity to own property and to gain wealth and, therefore, all of their descendants are behind the rest

of the American mainstream population because they did not have any people to inherit anything from; and it appears that for some reason that is related to them individually or genetically, that they just cannot keep up economically with the rest of America. If we look at it without looking at history and without examining the fact that 232 years of slavery denied the right to own property and to accumulate wealth, then one cannot explain the phenomenon.

So, as we look at the preparation of the budget for this year in a time of great surplus; we are projecting a surplus over the next 10 years of \$1.9 trillion. We will have more in revenues than we spent, even after we take out Social Security surpluses and Social Security surpluses are put in a separate so-called lockbox, we still have, after preserving all of the surpluses in Social Security, we still have \$1.9 trillion projected over the next 10 years. It is an opportunity to deal with some deficiencies that have been on the books for a long time. It is an opportunity to emphasize the need for programs or the initiation of programs for people on the very bottom.

We passed a bill today related to Carter G. Woodson and Carter G. Woodson's role in keeping the whole idea of black history alive. I am going to try to show tonight that we have an opportunity by examining black history, examining the history of African Americans in the United States of America, we have an opportunity to understand some greater truths and to understand how we can utilize the present window of opportunity in terms of a budget surplus of unprecedented magnitude which can allow us to take steps to make some corrections of some of the conditions that are highlighted when we examine black history, some of the injustices that are highlighted.

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Carter G. Woodson never emphasized the concept of reparations, but at the heart of the matter of the concept of reparations is that somehow this great crime that took place in America for more than 232 years ought to be rectified. There ought to be some compensation.

Every year, every session of Congress, the gentleman from Michigan (Mr. CONYERS) for the last 10 years has introduced a bill which deals with reparations. I want to relate how the passing of the legislation related to Carter G. Woodson and the study of black history is related to the reparation legislation that the gentleman from Michigan (Mr. CONYERS) introduces every year.

I want to go beyond that and show how it is also relevant to a recent book published by the head of TransAfrica, Randall Robinson. It is called "The