SENATE—*Thursday, June 10, 1993*

The Senate met at 9 a.m., and was called to order by the Honorable DIANNE FEINSTEIN, a Senator from the State of California.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Beloved, let us love one another: for love is of God * * *.—I John 4:7.

Eternal God of love and peace, talk of love may seem irrelevant in the heat of political conflict; yet You ordained love as the highest form of social order. Love transcends all other forces—is the most powerful influence in life. Love melts anger. Love dissolves hate. Love destroys enemies by making them friends. Love may lose some battles, but it wins the war. When controversy is most heated, that is the time for love.

Help us to understand that love is more than an emotion to be felt. Love is a decision to be obedient to the supreme law of God. Love is greater than faith and hope. Love is always triumphant.

Mighty God, help us to love one another.

In the name of Him who was Love incarnate. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 10, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DIANNE FEINSTEIN, a Senator from the State of California, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mrs. FEINSTEIN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes.

Mr. WALLOP addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

Mr. WALLOP. Madam President, is the Senator from Wyoming correct that there were 45 minutes for morning business reserved for him?

The ACTING PRESIDENT pro tempore. The Senator has 45 minutes; that is correct.

Mr. WALLOP. Of that time, I wish to yield 10 minutes to the Senator from Oregon.

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

The Senator from Oregon is recognized.

Mr. PACKWOOD. I thank the Chair and I thank my good friend from Wyoming.

RECONCILIATION TAX BILL

Mr. PACKWOOD. Madam President, this morning I think those of us involved in the reconciliation measure and especially the tax part of that bill are not at all sure exactly what it is we are going to be focusing on.

The Btu tax is apparently gone. I say "apparently," because I am not sure. From what I have read in the paper and heard about from the Democratic caucus, it is gone, either totally or a fair portion of it. Whether we are facing a gasoline tax or further Medicare cuts or some combination thereof, I am not sure.

So the best thing we can do, in terms of talking about the budget reconciliation proposals before us, is to talk about the bill that was passed by the House.

The House reconciliation bill—and I am going to confine myself very specifically to that package—had in it about $275 billion in tax increases and about a $15 billion increase in user fees.

A user fee is, as the name implies, something that the user pays at the time of receiving the service. A good example would be a national park fee. If you go in the national park, you pay $5. That is a user fee. If you increase it to $10, it is a $10 user fee. We Republicans call those user fees increases in Government revenues. The Government is taking more money from you.

So the House reconciliation bill has $275 billion in tax increases and $15 billion in user fee increases, and that is $290 billion in revenues.

In the same bill is $45 billion in spending cuts. That is a ratio of roughly $6 in tax increases to $1 of spending cuts.

Now, I know there is a promise that there will be more spending cuts later. But in the bill as it passed the House, there is roughly $6 of taxes to $1 of spending cuts.

During the campaign, President Clinton said his budget proposals would have $3 of spending cuts for $1 of taxes. After the election, that narrowed to $2 of spending cuts for $1 in taxes. By the time of his budget message, it was $1 for $1. As the bill passed the House, it is $6 of taxes for $1 of spending cuts.

We are now getting ready to act in the Senate on the bill that the House has sent us. We may change it a bit but, frankly, the instructions that the budget resolution has given to the Senate in terms of the goals to meet do not vary very much from the House bill.

So the question is, Now that the Btu energy tax has apparently been dropped, are we talking about simply increasing other taxes or reducing spending or what?

I am delighted that the energy tax is gone. It was a bad idea. It was hard on the elderly. It was hard on farmers. It was hard on hydroelectric users. It was hard on any kind of industry that heavily uses electricity, such as the smelting industry; aluminum, for example.

Let us assume the Btu tax is gone. That is not the only bad thing in the bill. But before getting to the other bad things, I want to read just part of an article by James Reinmuth. He is the dean of the College of Business Administration at the University of Oregon. And I will read only parts of it.

President Clinton proposes tax increases as part of an economic package designed to simultaneously lower the federal deficit while improving economic growth. Evidence suggests that tax increases are ill-advised on both accounts. In fact, the administration's entire recovery program seems to be based on several well-promoted claims that are revealed as myths when exposed to the light of evidence. . . .

No economic theory, not even those of Keynes or Marx, advocates tax increases as an economic stimulus. Higher taxes reduce disposable incomes, lower profits, encourage tax evasion and avoidance while removing incentives for capital investment and risktaking.

They will further reduce, not increase, the amount of revenue available to our federal government at a time when the administration proposes several new federal spending programs.

The Clinton administration's economic program is a well-orchestrated plan that substitutes myth for reality in a highly charged political environment. For political pur-

• This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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poses, the administration appears to be tinkering with a delicate economy it doesn't appear to understand.

The danger is that political tinkering and dependence on bogus logic could damage our nation's ability to compete effectively in a global economic environment.

I ask unanimous consent that the dean's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLINTON'S TAX INCREASES WOULD NOT SPUR RECOVERY

(By James E. Reinmuth)

In a recent report before the Joint Economic Committee of Congress, economist Lawrence A. Kudlow was asked to identify the most pressing problem facing our nation's economy. His quick response was offered with conviction backed by fact: The across-the-board tax increase proposed by the Clinton administration may force into a deep recession a fragile national economy that is already well into recovery.

President Clinton proposed tax increases as part of an economic package designed to simultaneously lower the federal deficit while improving economic growth. Evidence suggests that tax increases are ill-advised on both accounts. In fact, the administration's entire recovery program seems to be based on several well-promoted claims that are revealed as myths when exposed to the light of evidence.

Myth 1: The rich are not paying their fair share.

While this claim was one of the central themes of his campaign, Clinton never defined either rich or fair share. If we classify those in the top 10 percent of income as rich, what portion of our taxes should they pay? Should they pay more than 10 percent? How about 20 percent?

Few would argue that this small portion of our citizens should be responsible for more than half of our tax revenues. Yet, in 1991, the top 10 percent paid 56 percent of all taxes.

That evidence raises doubts about the motives of an administration that demands more from our most-productive citizens.

Myth 2: The Reagan tax cuts were the major contributor to our massive deficit.

From 1980–91, federal tax revenues increased 119.8 percent, almost double the 65.3 percent inflation rate for this 11-year period. When the tax code was simplified and rates were reduced in 1986, tax revenues soared as money was taken out of tax shelters and reinvested in more productive alternatives.

Increasing tax rates will reverse this effect as investors will seek means of sheltering income and deferring their tax obligation. As a result, the Clinton tax proposal will actually have the reverse of its intended effect by increasing the federal deficit.

Myth 3: The big defense buildup during the early years of the Reagan administration is the other major contributor to our deficit.

Using this same 11-year period, defense spending doubled, increasing by 104.1 percent, while non-defense federal spending increased 129.7 percent.

At present, non-defense expenditures are five times larger than those allocated to defense. Proposed reductions by the Clinton administration to our defense budget would reduce total investment in defense to inflation-adjusted levels that are less than those of 1980.

The cause of our deficit is runaway spending of all types by our federal government. If, during the 1980–91 period, federal expenditures were limited by the level of inflation, we would have enjoyed a $170 billion federal *surplus* by the end of 1991.

Myth 4: The proposed Clinton tax plan will not affect the middle class.

This was, of course, his promise during the campaign. In fact, the administration's tax plan digs even deeper than the middle class. Using the president's definition of "family economic income," the administration's figures are inflated by such phantom sources of income as fringe benefits on health insurance and pensions, annual increases in the value of retirement accounts and the "imputed rent" on your own home if you own it.

With this inflated figure, Clinton admits that his plan will affect those with incomes exceeding $30,000. Pulling out the aforementioned phantom income sources, it touches all those earning $20,000 or more.

Myth 5: The Clinton plan will stop excessive executive stock-option plans.

Wrong again. Why do you think that so many corporate executives like Apple Computer's John Scully are supporting Clinton's plan?

One reason is that many think by doing so they will encourage the president to include their industry in a favored group as part of a national industrial policy. Another reason is that it is ordinary income, and not capital gains, that will be taxed at the higher rates under the Clinton administration's plan. Capital gains on stock options and other security investments will continue to be taxed at their current 28 percent rate.

No economic theory, not even those of Keynes or Marx, advocates tax increases as an economic stimulus. Higher taxes reduce disposable incomes, lower profits, encourage tax evasion and avoidance while removing incentives for capital investment and risk-taking.

They will further reduce, not increase, the amount of revenue available to our federal government at a time when the administration proposes several new federal spending programs.

The Clinton administration's economic program is a well-orchestrated plan that substitutes myth for reality in a highly charged political environment. For political purposes, the administration appears to be tinkering with a delicate economy it doesn't appear to understand.

The danger is that political tinkering and dependence on bogus logic could damage our nation's ability to compete effectively in a global economic environment.

Mr. PACKWOOD. I emphasize again that this article was written by the dean of the College of Business Administration at the University of Oregon.

In this tax bill—let us forget the income taxes for a moment—there is a dramatic increase in the tax on Social Security recipients. At the moment, the tax on them is 50 percent, or half of their Social Security is put into their income tax base. If they have other income of $25,000 as a single individual, or $32,000 as a married couple, the tax on their Social Security benefits is going to be increased to 85 percent, which is a big hit on a fair number of our elderly citizens.

Small business takes an extraordinary hit in this bill. The Joint Tax Committee did a study in 1992 of tax returns from 1989 and they discovered that 77 percent of the returns with adjusted gross income over $100,000 showed income or loss from sole proprietorships, partnerships, and what we call subchapter S corporations. They are small, usually family-owned corporations with 35 or less stockholders and their income is taxed like a sole proprietorship rather than a corporation.

Even if you eliminate from this 77-percent figure those returns that have passive losses or passive income, the study estimates that 60 percent of the taxpayers that are going to be hit by the proposed income tax increase are small business entrepreneurs.

The top rate for people that are making over $250,000 is going to be 43.7 percent. They own their small business. They have 20, 30, 40, 50 employees. Their top income tax rate is going to go to 39.6 percent. Add to that another 2.9 percent increase from the proposal that takes off the Medicare wage cap. As these people are paying both the employer and employee side of the Medicare tax, eliminate the wage cap is another 2.9-percent raise.

Then, on the so-called Pease cutback of itemized deductions, these same people are precluded from deducting itemized deductions equal to 3 percent of their income over, roughly, $108,000. So they will have a 43.7 percent tax rate—just for Federal taxes. This does not count State income taxes. If you are from Oregon, Oregon has a high State income tax. The Senator from California is in the chair. California has a high State income tax. New York has a high income tax. If you are in New York City, you have a city and State income tax. In all of those areas, these business men and women are going to be paying over 50 percent of their income to the Federal and State governments, not counting gasoline taxes, excise taxes, or any other kind of business taxes. These are very high taxes.

So the President is saying to the American people, we are going to raise your taxes on your business, we are going to raise your taxes on you personally. We were going to raise your taxes on your energy and that would have been about 8 cents a gallon. Maybe we are still going to get a gasoline tax, I am not sure. At the same time we are saying we want you to hire more people.

What does Susan who owns the hardware store, or Jim, who owns the dairy, do? You raise their taxes. As far as Jim is concerned, if you raise the taxes on his milk delivery trucks and say, also, even though now you have less money, please hire more people and, by the way, while you are hiring more people very soon we may impose upon you a mandatory health insurance program which will cost you an additional 7 or 8 percent of your payroll, in addition to what you are now paying. Where is the incentive for Susan or Jim to hire any more people? Where is the money for Susan or Jim to hire any more people?

You have a marriage penalty provision in this bill. A marriage penalty is a simple thing to understand. You have two people who are single and they pay taxes. But if they get married they pay more taxes together than they would each pay individually if they were single. This bill has a dramatic, drastic marriage penalty in it. In fact, the proposed 39.6-percent income tax rate on income over $250,000 is the ultimate marriage penalty because you pay this top rate whether you are married or single.

So, for a whole variety of reasons, the bill as it came from the President was bad. The bill as it has come from the House of Representatives is bad. I fear the bill that will eventually come to the Senate floor will be bad. It will be bad for the creation of jobs, it will be unfair for senior citizens, it will be unfair for married couples of any age. And what do we hope to gain by increasing the taxes? More jobs?

Madam President, I simply ask, where on Earth do we think we are going to get small business entrepreneurs? They are the ones who have created the jobs; it is not General Motors, not General Electric. Big companies are downsizing and their employment is shrinking.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. PACKWOOD. May I have 1 additional minute?

Mr. WALLOP. Madam President, I yield 1 more minute to the Senator from Oregon.

Mr. PACKWOOD. I want to emphasize one more point as this bill came from the House. The income taxes on businesses and individuals are retroactive to January 1 of this year. The longer we go before we pass any bill, the bigger that retroactive hit is going to be when it comes. If anyone thinks that is going to help the economy, then they are dreaming or lost their bearings. When that tax hits and it is retroactive, our economy will not grow. Businesses will not be hiring more people.

I thank the Chair and I thank my friend from Wyoming.

Mr. WALLOP. Madam President, of the time reserved to me, I yield 6 minutes to the Senator from Washington.

The ACTING PRESIDENT pro tempore. The Senator from Washington is recognized for 6 minutes.

TAXES

Mr. GORTON. Madam President, on Monday of this week, the President, abandoning the Btu tax, and abandoning the details of the tax program to be passed by the Senate, stated that he hoped that any new proposal would be based on three criteria. I quote the President:

> I am interested in the principles of the program: deficit reduction, lower interest rates, and job growth.

Would that the President of the United States had, or advocated, a program which matched his rhetoric—would that it matched his rhetoric in any one of the three goals that he sets out. In fact, however, the program which is now before the Senate was destructive of all three goals. It will not permanently lower the budget deficit; it will not lower interest rates; and it clearly will not result in job growth.

The plan which the House of Representatives passed 2 weeks ago and sent to this body kills job growth through higher taxes, creates only a temporary reduction in the budget deficit—a budget deficit which by its own terms skyrockets beginning 4 or 5 years from now, and clearly would have resulted in higher interest rates by reason of continued growth of the deficit and the inflationary pressures created by massive new Government spending programs.

The problem with the House budget is that they do not cut spending first. They rely almost entirely on taxes. Almost entirely on taxes, one may say? No, is this not a relatively balanced program?

In fact, a review of the House budget shows that there is $35 billion in new taxes and user fees this year, the year about which we are debating, and $1.7 billion in spending cuts in fiscal year 1994. The ratio, therefore, for the first full year under this budget, is $20.68 in new taxes for every $1 in spending cuts.

To give the devil his due, we must admit that there are some few spending cuts at some point or another in this 5-year budget. Only $1 out of $8 in those spending cuts, however, comes before fiscal year 1996. So we are asking the American people to believe that we will make all those tough choices. There is no question but that Congress can be trusted. Just let us wait for 3 years and then some of these spending cuts may take place.

I have not noticed in the President's recent messages, or in those which accompanied the State of the Union Address, that one of the priorities of this budget was to delay all of the tough choices for the next 3 years. In fact, the President of the United States is entirely correct. We should pass a budget which lowers the deficit, which results in lower interest rates, and which most of all creates job growth.

How can we do that? We can do that by defeating the President's program on the floor of this Senate, sending it back to him, asking him to come up with a budget that meets his campaign promises and meets the promises of his Director of the Office of Management and Budget. That is to say a budget which has at least $2 and perhaps $3 in spending cuts for every $1 in tax increases. A budget like that will encourage job growth. A budget like that will lower the deficit. A budget like that will create the kind of confidence which will result in lower interest rates.

But to impose huge new income taxes, 70 percent of which will be earmarked to the very small businesses in this country which are the engine of job creation, cannot possibly result in an expanded economy. No economist has come up with a theory under which taxing the creation of new jobs is a job creator. It just does not work that way.

We should live up to our responsibilities. We should not tinker with this tax bill around the edges. We should reject it lock, stock, and barrel, and ask for a budget which meets the promises made to the people of the United States in August and September and October of last year. And, even more important, we should demand a budget that meets the desires of the people of the United States for a greater degree of freedom, less regulation, confidence in the ability of the private sector to create jobs, and its encouragement to do so by lower spending, not by higher taxes.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

Mr. WALLOP. Madam President, of the time reserved to me, I yield to the Senator from Idaho, 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Idaho is recognized for 5 minutes.

PROMISES MADE, PROMISES BROKEN

Mr. CRAIG. Madam President, I wish to thank my colleague from Wyoming for bringing about this special order in morning business to discuss issues that are so critical to us at this time.

Let me say at the outset that the American people ought to have a very small ceremony this morning celebrating a victory, a victory that they, by their insistence, have caused, as of the last day. I am saying that because it is now our belief that the White House has backed away from the Btu tax and largely that is because the American people in the last month have spoken out very clearly to this President saying, "President Clinton, no; we don't like your tax program and we want you to change it."

I say it should be but a small victory and a small celebration because even Leon Panetta, the Director of the Office of Management and Budget, yesterday said:

> But rest assured, the President's bill and his economic plan is still 90 percent intact.

If it is, in fact, 90 percent intact, let me focus on the 90 percent that remains, because I agree with my colleagues from Oregon and Washington that the rest of the package well ought to be rejected, too, because 90 percent of it says several things to a lot of Americans across the spectrum.

For example, it says to the Social Security recipient who might be receiv-

ing $20,000 to $25,000 to $30,000, if they are a couple, "We are going to tax you. Even though you are on a fixed income, watch out; Bill Clinton is coming with his tax package. He wants some money from you." So to the seniors of this country, stay tuned; you were not included in the victory of yesterday.

To the middle-class truck driver: How about that individual, that blue-collar worker, whether he is a truck driver or traveling salesperson, an employee or a worker who finds, as a necessity of his employment, that he must eat away from home; we have recognized that that is part of their employment, and we have allowed that meal to be deducted—"You cannot celebrate today; you are not part of the victory of yesterday. Bill Clinton still wants to tax you, as do some of my colleagues on the other side of the aisle, as part of this economic tax package that we call a job creator. Let me suggest that you have not yet won."

What am I talking about? I am talking about middle-income Americans who in the last election were promised by this President that they would not feel the focus of his taxes; that he would not soak the middle class. And yet, clearly the tax that remains is directed at the middle class, as I have just explained, to those people who find themselves, as a necessity of their work, now being required to pay taxes on part of that from which they were once exempt.

Even with the rhetoric of yesterday, the energy package in this morning's Post that is still being talked about, as I calculate it for a family of four spread out over several years, is still going to be more than that $200 haircut that our President engaged himself in but a few weeks ago. So you see, the energy package, as it still remains, if they include it as a part of the overall tax package, is going to have a phenomenal impact right through the middle of our economy.

Now let us talk about the promise that remains, the promise that is now reality by a vote of the House a week and a half ago, now by this President still promising that he has to have enough taxes; that it is going to be a 4-to-1 or a 5-to-1 ratio. We can trust that will happen because that is what the other side of the aisle of this body is saying that they concur with, that kind of a taxing-cutting kind of ratio.

Let me look at 1982 and remind the American people that in 1982, Democrats in Congress promised President Reagan $3 in spending cuts for every $1 of new revenue, and the President said OK. We called that the Tax Equity and Fiscal Responsibility Act, known as TEFRA.

The rest of the story is spending went up 8.4 percent, the deficit went up 6.2 percent, and the ratios and the promises to the American people were not followed. Now, that is 1982. In 1985, a similar promise: We need a few more taxes and for every dollar we raise, we are going to cut taxes by a substantial amount. Spending is up 4.6 percent, deficit up 4.2 percent, and taxes up an even greater amount.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. WALLOP. I yield 1 more minute.

Mr. CRAIG. Madam President, I thank my colleague.

That was the history of 1985; 1987 was similar. 1990, again, promises made, promises broken. Is it any wonder that our President at this time finds himself with a disapproval rating of well over 50 percent by the reaction of the American people?

I think, Mr. President, they are trying to send you a message. Mr. President, when you said you would focus on the economy like a laser beam, the American people were led to believe that that focus was on the deficit. Mr. President, would you please rephrase your statement? Your laser beam vision is clearly now focused not on the deficit of our Government, but on the pocketbook of the middle class of this country.

Taxpayers, watch out; the President still says he is focused like a laser beam, but on our pocketbook instead.

Mr. WALLOP addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

BURDEN ON SMALL BUSINESS

Mr. WALLOP. Madam President, it is welcome news that the Btu tax, a bad idea whose time has come and gone, has been abandoned by the President, a substitute for which we have no way of judging whether or not it is better and more fair. But at least the Btu tax has now been recognized for what it was: A serious degradation of America's ability to compete with its overseas competitors and in our own market at home, and a serious detriment to the growth engine of this economy.

But the Btu tax has absorbed so much of the country's attention that we have forgotten the incredible burden that is also contained in the President's economic package on small business. The President has called it in his book:

> * * * putting people first; that "small businesses create most of the new jobs in this country and they need to flourish if we are all to prosper. America cannot afford another 4 years without a strategy to make our economy grow again."

All Americans agree with that; certainly all people in small business. Wyoming, per capita, is the largest small business State in America. But if you examine what happens to the small businessperson in this tax package, you cannot but be alarmed, both for the prospects of employment and the survival of small business.

What, in effect, has taken place is that the reward for risk has all been eliminated and the ability to sustain an economic equilibrium has positively been seriously degraded so that new hires are not likely to be on the minds of small businesses.

But the thing that most Americans do not realize, because the President has couched his statements in terms of class warfare—the rich, the greedy, the eighties, the last 12 years, the pain—is that 50 percent of the people who will pay higher individual taxes at the new 36-percent tax rate are small businesses who do not consider themselves among America's rich. What they have maybe are very high gross incomes upon which the taxes are levied, and very small net take-home pay.

In addition, two-thirds of all the taxpayers who will pay Bill Clinton's 10-percent supertax are small business owners who happen to have business earnings over $250,000. But guess what, Madam President? These small business men and women of America will be paying a substantially higher marginal tax rate than will General Motors, General Electric, and many of the major corporations of America.

Madam President, I would also like to focus on another issue that has not been much noted in the furor and focus over the Btu tax. The administration has added fuel to the fire with a little known compliance provision that could sink America's small businesses in a blizzard of paper. It could require two or three rain forests a year to supply the paper for the new administrative requirements that would be necessitated by this provision.

I am talking about a very innocent sounding provision called the service industry noncompliance initiative or, as we always do in Washington, to give it an acronym, SINC. I do not know whether most Americans would relate it to the bathroom sink, into which we ought to let this drain, or sink in terms of the acknowledgment that this is what is going to happen to all American small business, or sync in the more benign sense that we are in sync as a nation. The last is clearly not the case.

SINC is supposed to help track down companies that do not file their tax returns. Wonderful. Innocent. Who can argue? But SINC is an attempt by the Government to shift the burden of collecting taxes from the Internal Revenue Service to the private sector. It would, in effect, deputize small businesses to collect, to prepare, and to file information returns.

Under current law, business owners who make payments of more than $600 per year to an individual or other unincorporated entity in exchange for services must file a form 1099 with the IRS to report the amount paid. The individual could be your lawyer, or your accountant, or some similar type of person.

Until now, payments to corporations have been exempt. But the administra-

tion thought by requiring 1099's for corporations who perform services it would raise $6 billion. The Joint Committee on Taxation says it will only raise $423 million—a big discrepancy, Madam President. It is likely to raise even less since it will more than double or triple existing paperwork for the average small business owner and could increase paperwork for large corporations by tenfold. And to what end? The IRS does not have the computing capacity to match these forms. It is an attempt to intimidate small businesses and other businesses themselves into doing the IRS' work for them. But what it does is cost, cost, cost in compliance, and cost, cost, cost in terms of the Internal Revenue Service trying to collect the revenues of the country. There has to be something better than this absurd proposal.

Let me give you an example of its absurdity. The law would be changed to require reporting of "Corporate service providers," but, Madam President, nowhere is there a clear definition of a "service." Consider the airline industry. They provide a service. They transport you from this place to that place, and you do not have anything but a ticket stub in your pocket, so you have not bought an item; you have bought a service. Under this proposal, every single time a small business owner uses an airline and pays more than $600 per year to that air carrier, they need to process and send to the air carrier a form 1099. And virtually every business in America would do the same thing.

What if you are a large corporation? Or, a large law firm with employees that have to do a lot of travel. You would have to go back through all the expense reports and get copies of individual receipts in order to know who traveled, on which airlines, how many times and for how much, and then file a 1099.

Now, what are the airlines supposed to do with millions upon millions of information returns? I doubt there has been any question about the airlines filing their tax returns. Nobody supposes that American Airlines does not file a tax return. But here we are, they are going to pile the paperwork on them and their customers.

Small businesses will have to keep elaborate books to be able to distinguish services from other types of payments and, according to IRS procedures, if they file a few hundred 1099's a year they have to buy a computer in order to send the information on magnetic tape to the IRS. Here is your Government telling you what to buy in your office, whether or not you feel it is in the best interests of your business.

Madam President, we have smothered small businesses with new mandated costs in this Congress. Oh, what noble things we in Congress say to the people in America but never realize that the people in America are the ones who have to live with these consequences.

We have Family Leave, the Americans With Disabilities Act and the Clean Air Act, to name a few. But now we are seeking to add huge regulatory and paperwork burdens in addition to taxes retroactive to the first of the year on people who do not and cannot consider themselves rich or wealthy. We have, with this President, found a way to indulge in the politics of envy and the politics of blame. We have segmented ourselves into so many people who are the villains. The President has segmented us. There are the lobbyists. There are the special interests.

Incidentally, the special interests and the lobbyists are being dinged pretty hard for a party on June 28 by the very people who complain about them. But nonetheless, we are dinging Americans thinking they are villains. Instead of giving us purpose, the President is giving us a sense of frustration and desire for revenge. But who are we taking this revenge upon? It is the small businesses with supertaxes beyond their dreams, with a retroactive provision which will kill them when they discover it, and many, many small businesses will sink under a tax burden they did not know they owed.

So, Madam President, we should take a very close look at the economic proposal as it lays in front of us. It is not economics for prosperity. It is economics for despair, and it will not cause the growth of jobs in this country.

Madam President, I yield 5 minutes to the Senator from Oklahoma.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma is recognized for 5 minutes.

AN ASSAULT ON SMALL BUSINESS

Mr. NICKLES. Madam President, I wish to thank and compliment my friend, the Senator from Wyoming [Mr. WALLOP], for his excellent statement. I am going to speak in defense of small business, and I hope my colleague will listen because I happen to agree with him 100 percent.

I believe that the House-reported bill is an assault on small business, and I believe the package that is now being formulated will not help the economy. It will hurt the economy. It may suffocate the economy, which is somewhat stagnant at the time. We should not do that. We need deficit reduction, but I happen to believe we strongly need it through spending reductions, not tax increases.

I have heard some people say this is a balanced package, that it has almost as much in spending cuts as it has in tax increases. Madam President, those are not the facts. The House-passed reconciliation package has gross new taxes of $329 billion. You usually hear figures of about $250 billion. But the total in new gross taxes is $329 billion.

Now, they have some tax cuts, totaling about $54 billion. The biggest part of that is earned income tax credits. I do not even think we should call those tax cuts. They are for some individuals, but for lower income people we are actually writing them a check. I consider that spending. If the Federal Government is going to write somebody a check, I would categorize that as spending.

It also has $16 billion of fees. But giving credit for all those tax cuts, the $54 billion, and then adding the fees, you come up with at least net new taxes and fees of $291 billion.

Now, the House-reported reconciliation package has spending cuts of $46 billion. If you take the $291 billion in new taxes and fees and divide that by 46, you will realize that we have $6.35 in new taxes for every dollar of spending cuts.

Now, that is not a balanced package. That is a package which is an assault on the taxpayer. What will it do to the economy? It is going to put a lot of people out of work. How can you really encourage the economy to grow and build and expand if you have increases in corporate taxes, increases in personal income taxes? A lot of those personal income taxes are on individuals that own or operate businesses, subchapter S corporations. If as an individual they have an income of $115,000, they have an increase in their income tax of 25 percent.

If they are a subchapter S, and they have an income above $250,000 they have a marginal income tax rate increase of 37 percent, because the rate goes from 31 to 36 percent. If there is a 10-percent surcharge on top of that, that is 39.6 percent. They have to pay the FICA tax, 1.45 percent on individuals matched by employers at 2.9 on top of the 39.6, and that is 42.5 percent.

That is a 37-percent increase on a lot of self-employed or people who have subchapter S corporations. That means they are going to be taxed at a higher rate than General Motors or any other large corporation.

In many cases, those are small businesses that are growing, building and expanding. We are going to sock it to them with a marginal rate of 42.5 percent. By the time you add your State tax, the city tax, whether taxed at over 50 percent—in other words, Government is going to make more money out of any additional money that they would generate from that company than they would. That is a real incentive not to produce, not to build, not to expand.

Do they lose? No, they are making enough money where they will be able to live comfortably. Who really loses is the fact that that plant or that operation will not build and will not expand and therefore some people will lose jobs.

Madam President, how did we get into this disparity between the amount

of money in taxes versus the spending cuts? Some people are counting spending cuts like a tax on Social Security, increasing the tax on Social Security, on senior citizens who make over $32,000. That is for a couple. This tax plan raises their tax from 50 to 85 percent. That actually raises taxes on the $32,000, but some people call that a spending cut.

Then, yes, some people call the new fees, fees on using national parks, and other things—that raises about $16 to $18 billion—they count that as a spending cut. It is not. It is a fee increase. It is a tax increase.

Taxing more Social Security income, that is a tax increase.

So I just make these points. I hope people will realize that there are different numbers floating around. I would like to get the facts out.

So what we need to do, Madam President is, one, get the facts out; have people look at the facts. Then let us debate them. If the majority is able to win, if they win on the facts, and they tell the American people what is in the bill, and they can get the votes, so be it. At least we are going to try. But I think it is important that we have the facts.

People need to know that in the House-passed bill in 1994 there are $20 in taxes for every $1 of spending cuts; people need to know that in 1995 there is $9.70 in tax increases for every $1 of spending cuts; they need to know that in 1996, there is $6.47 in tax increases for every $1 of spending cuts.

As a matter of fact, most of the spending cuts do not come until after the Presidential election in 1996. Some of the tax increases are retroactive back to January 1 of this year. Under the proposal that passed the House, Uncle Sam is already reaching into your back pocket for money that you have already earned. I do not think that is fair. I have heard some of my colleagues even on the other side say they would hopefully fix that problem. It needs to be fixed. It is not fair. Their package is not fair. It is not balanced.

Madam President, I ask unanimous consent that two tables be printed in the RECORD. They are entitled: "Reconciliation Ratios," and "$6.35 in New Taxes for Every $1 of Spending Cuts."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RECONCILIATION RATIOS

[House-reported bill, dollars in billions]

	1994	1995	1996	1997	1998	1994–98
Spending reductions	−1.7	−4.5	−9.1	−14.0	−16.6	−45.8
User fees	2.3	2.6	3.9	3.3	3.4	15.5
Revenue increases	32.7	41.6	54.8	73.8	72.6	275.5
Ratio of taxes and user fees to spending cuts	20.68 to 1	9.77 to 1	6.47 to 1	5.52 to 1	4.58 to 1	6.35 to 1

Note.—Based on OBO/JCT estimates.

$6.35 IN NEW TAXES FOR EVERY $1 OF SPENDING CUTS[1]

House budget reconciliation:

	1994–1998
Gross new taxes	329
Tax cuts	(54)
User fees	16
Net new taxes and fees	291
Extension of current law[2]	27
New spending cuts	19
Total spending cuts	46
Total new taxes, fees and spending cuts	337

[1] Net new taxes and fees of $291 billion/net spending cuts of $46 billion = $6.35.

[2] "Baseline budgeting" allows Congress to take credit for "cutting spending" by simply extending current law provisions which are scheduled to expire.

Source.—Senate Budget Committee Minority analysis of CBO/JCT estimates.

Mr. NICKLES. I thank my friend and colleague from Wyoming.

Mr. WALLOP addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming is recognized.

Mr. WALLOP. Madam President, I will conclude by trying to show the Senate a small table called the taxation of small business under the Clinton tax plan.

Over here are the large corporations of America, at 34 percent, with their current and proposed tax rates. Over here are the sole-proprietor small-business owners and subchapter S corporations. These are America's small businessmen. They pay 31 percent, the current rate, the new top marginal rate is 36 percent, already higher than the corporate rate individuals. Then they pay the millionaires' super tax, which brings them up to 39.6 percent. Then they pay the self-employment HI tax. And the Pep and the Pease taxes brings them up to 44.5 percent. That is before they pay a dime in State taxes.

It does not take a rocket scientist to understand that small business is at the point of make or break. The President has recognized more than once, that small businesses are the engine of growth. But he taxes them under his rhetoric of the rich and the increased tax rate proposals that he has laid down.

My friends in Sheridan, WY who own shoe shops, sporting goods stores, drugstores, are going to be startled to find themselves included in the enemies list, the rich. Madam President, they are not the rich. They are people struggling to survive and maintain a living in a small town in northern Wyoming. And it is the same all over America.

These tax proposals kill small business, and the fact of it is that when small businesses begin to fail and when small businesses begin to shed employees or refuse to add employees, these taxes, like the luxury tax on boats and other things, will begin to cause America to reflect. That is the point we are all trying to make here today. Not only will these tax proposals wreck the hopes and dreams of millions of Americans who have set out on their own and taken the risk of establishing businesses, but they will not generate the revenue.

All over, Americans are absolutely convinced of the necessity of dealing with the deficit. The President has persuaded them of that. Ross Perot persuaded them of that. The campaign persuaded them of that. But they do not see it happening with $6 in new taxes for every $1 in spending cuts.

Madam President, this is an unfair switch in a bait-and-switch. The promise was good, but the product cannot be relied upon. We must take this package back to the machine shop and re-establish the promise. The promise was that there would be more savings than there were tax increases. The promise was that we would set ourselves on a schedule.

Using the President's and not the Republicans' own figures, after the fourth year of this plan the deficit begins to rise again dramatically. That will come after we have established new spending, after we have milked the defense cow dry, after we have raised taxes more than any other time in the history of our country, and before we have even gotten to health care taxes.

The Los Angeles Times last week said that there would be a 12-percent payroll tax. Madam President, where are these funds going to come from? Who will be able to employ people under those circumstances? Let us take it back. Let us go in together and do what the American people were promised in the campaign.

Madam President, I yield the remainder of our time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LEAHY. Madam 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.

Mr. LEAHY. Madam President, is there a restriction on the amount of time that Senators may speak in morning business?

The ACTING PRESIDENT pro tempore. The Senators have 5 minutes each.

Mr. LEAHY. Since I see nobody else on the floor seeking recognition, I ask unanimous consent that I be allowed to proceed for 12 minutes.

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

FOREIGN AID

Mr. LEAHY. Madam President, I want to speak in continuation of a number of speeches I have given on the subject of foreign aid.

In March, I spoke again on this floor about the urgency and importance of the West, led by the United States, in helping democratic forces in Russia as they struggle to build a new society. In those remarks, once more, I urged the President to seize the initiative, to launch a bold Western effort to send a message of hope to the Russian people, and to its leaders, who are struggling to overcome the ugly legacy of communism.

Since then, several important things have happened. In April, President Clinton met President Yeltsin in Vancouver. He announced the restructuring of the existing aid program to make it more timely and effective. He included in that package a special food aid program that I advocated to replace the unworkable Commodity Credit Corporation loan guarantees, which made available $700 million in agricultural credit to restore Russia's access to U.S. agricultural markets for grains and other commodities.

Later that same month, the group of seven nations that met in Tokyo pledged $28 billion in new economic assistance to Russia.

(Mr. CAMPBELL assumed the chair.)

Mr. LEAHY. Mr. President, the direct United States share of that is $1.8 billion over and above our regular contributions to the World Bank and the IMF, some of which will be used to finance economic restructuring in Russia.

Shortly after the Tokyo meeting there was a referendum in Russia essentially on the question whether Russia should continue on the path of economic and political reform. Despite great suffering and widespread disappointment at the slow results of reform so far, the Russian people courageously said "yes" to going ahead. They said they want to build a free, open, democratic nation on the ruins of the Communist past, even at the cost of more pain and suffering.

Thanks to the courage of the Russian people, and the determination of President Yeltsin and the democratic forces, reform continues today in Russia. There is real hope for a better future. But the forces of ultranationalism, xenophobia, and fear remain powerful. Every day the reformers are challenged by those who want to cling to their privileges inherited from the Communist system. Great Russian chauvinists press for a recreation of the Soviet empire. Anti-Westerners decry the cultural, political, and economic influence of the West.

The tide is turning toward those who want a modern, outward-looking, and free Russia, but the battle is far from over. Reform may be irreversible, as many claim, but how quickly it comes, and how deeply it penetrates Russian society still depends on the outcome of this struggle between the democratic forces and the forces of reaction.

The importance of a dramatic U.S. aid package is even greater than ever. We have promised help, real help that reaches the people that are truly in need. Should we and our allies and friends, and the multilateral financial institutions, fail to carry out our promises—as many participants did after the 1991 Washington pledging conference—it would send a disastrous message to President Yeltsin, the democratic reformers, and the Russian people. Once again, the West would have promised much and delivered little. Once again, we would have said the check is in the mail but never arrived. We simply cannot afford to do that again. The risks to the hopes for a democratic Russia, with a free enterprise economy oriented toward the West, are too high. Our own national security and economic interests are too directly at stake to fail again to give effective leadership.

As chairman of the Foreign Operations Subcommittee, no one knows better than I the difficulties in honoring President Clinton's commitments of additional aid to Russia. Even though I strongly urged our President to take this bold step, it still is going to be very hard to find the money to fund the $1.8 billion commitment the United States has made. And, we must find that money on top of the $704 million already requested for Russia in the fiscal 1994 foreign aid program.

Frankly, Mr. President, the money today is not in the budget. I support what President Clinton has done, but I have to be very honest with my colleagues. Today at least the money is not there to carry out the promise. So we have to find a way to carry out that promise.

This means cuts in other areas. In the bill reported by the House Foreign Operations Subcommittee we already have a signal of how deep those cuts must be. The bill now moving through the House is complex. It consists of a fiscal 1993 supplemental for Russia, using available fiscal 1993 funds, and the regular fiscal 1994 foreign aid appropriation. They are actually joined together in one legislative package. When the House completes its action, we will study that bill carefully. Adjustments in the Senate may well be necessary. But the structure of the bill will enable the Senate to deal with one foreign aid package which incorporates both the special Russia aid program and the regular foreign aid budget. That is an approach I strongly recommended to President Clinton, and I joined with my distinguished colleague in the House, Mr. OBEY, in thinking that this is the best way to do it.

Mr. President, whatever the difficulties, or how much we have to cut other areas of foreign aid, how much we may have to cut other recipients of foreign aid, I do not waver one iota in my conviction, repeatedly stated on this floor, that our overriding foreign policy priority is to help Russia successfully transform itself into a democracy. I do not intend to bring to the floor of the Senate a foreign aid bill unless it has as its number one priority efforts to bring Russia to a democracy and to a market economy. That has to be the No. 1 priority of the United States in our foreign aid bill. The collapse of the Soviet Union meant the end of the cold war, something that greatly enhances the security of every American.

Let me tell you what the stakes are to the United States and why I can confidently say there will be no item, no item whatsoever in our foreign aid bill as important as what we do with Russia. Most of us have lived a good part of our lives with the threat from the Soviet Union, a threat manifested in the cold war. That has been the thing that has driven the security interests of the United States for most of my lifetime.

The collapse of the Soviet Union meant the end of the cold war. But there is no guarantee, short of Russia becoming a democracy, that the threat to humanity posed by its 20,000 nuclear weapons has been brought under control. Nor does it rule out renewed tension between an embittered Russia in which the democratic experiment failed, and a fearful West once again rearming.

I have already had a number of discussions with the President, Secretary Christopher, Ambassador Talbott, and others about how to do this special Russia program. There will be many more meetings and discussions. As chairman of the Foreign Operations Subcommittee, I am eager to work with the administration, the distinguished majority leader, the distinguished chairman of the Appropriations Committee, Mr. BYRD, the distinguished chairman of the Budget Committee, our distinguished Republican colleagues, including my friend and

ranking member, the Senator from Kentucky, and all Senators to carry through with this extraordinary Russia aid package.

There has been strong bipartisan support for aiding Russia. As Senators on both sides of the aisle clearly understand, the importance for the American people and for the world of a democratic, peaceful Russia transcends partisan politics. In the Russia aid package we have a challenge to leadership and an opportunity to do something truly significant for the security and prosperity of the American people.

Mr. President, in a few short weeks, during the Fourth of July recess, I will lead a delegation of Senators to Russia to meet the leaders of that great nation. We will discuss how the Russia aid program can be best used to promote democracy and a free enterprise economy. We will gauge the strength of the reformers and the directions of economic and political modernization. On our return, I expect to be able, working with the administration and involved Senators, to help shape this aid program so that it has maximum impact.

It has to be felt by the Russian people. They have to know what the West is doing to help, because to do that it will aid impetus to political and economic change.

It is my intention, insofar as it is within my power as chairman of the Foreign Operations Subcommittee, to move the combined Russia aid package and fiscal 1994 foreign aid appropriation bill as rapidly as possible after my return from that trip. With a Senate Calendar crowded with major bills which must be enacted before adjournment, I see no advantage, and great dangers, in delay. I look forward to working with my distinguished chairman and the distinguished majority leader, and our Republican colleagues, in devising a strategy for moving this bill to a timely completion.

Mr. President, I see other Senators have come to the floor. I will yield very quickly.

I would like to emphasize, though, what I said before. The foreign aid bill has a lot of countries, a lot of programs, a lot of issues in it every year. More and more, much of our foreign policy is shaped by what we do in the foreign aid appropriations bill. I want to state very clearly for my colleagues no single issue matches the importance in that bill of what we do with Russia, because nothing affects our security as a nation more than our efforts to bring Russia to a democracy, a stable democracy and one that does not pose a threat it had in the past.

MEASURE PLACED ON CALENDAR—H.R. 2264

The PRESIDING OFFICER. The clerk will read H.R. 2264 for a second time.

The legislative clerk read as follows:

A bill (H.R. 2264) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994.

Mr. LEAHY. Mr. President, on behalf of Senator MOYNIHAN I object.

The PRESIDING OFFICER. Objection is heard.

Pursuant to the rule, H.R. 2264 will be placed on the calendar.

Mr. LEAHY. Mr. President, I see the distinguished Senator from Iowa, one of the best friends I have in the U.S. Senate, on the floor. So I immediately yield back any remaining time I have.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. I thank the Chair.

I thank the distinguished chairman, my good friend from Vermont, for giving me some time here this morning.

(The remarks of Mr. HARKIN pertaining to the introduction of S. 1088 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Delaware [Mr. ROTH].

Mr. ROTH. Mr. President, I ask unanimous consent I be permitted to speak for 10 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Delaware [Mr. ROTH] is recognized.

Mr. ROTH. I thank the Chair.

(The remarks of Mr. ROTH pertaining to the introduction of S. 1091 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

TRIBUTE TO MARTIN WALKE

Mr. BREAUX. Mr. President, I rise today to recognize and pay tribute to a loyal and valued member of my staff, Martin Walke, who will be leaving the Senate this week to pursue a career in private life.

For more than 6 years now, Martin has served as my State director in my New Orleans office. In addition to representing me ably throughout the State in a number of different capacities, Martin also performed another duty which is often underrated, but rarely unappreciated by those of us who must get from place to place in our respective States.

Since almost the first day I announced as a candidate for the Senate in 1985, Martin has been the person who did the driving and made sure that my life as a candidate and a Senator was free from concern about whether I would arrive on time or would find myself in Winnfield when I really needed to be in Winnsboro.

Besides having an excellent head for logistics and directions, there is another quality I've valued in Martin over the years—he was always a good, loyal friend, who truly helped make the miles a littler shorter and a lot more enjoyable.

Since the days he and I first began traveling Louisiana in 1985, a lot has changed in both of our lives. Martin was married a few years ago and now he and his wife, Mary Leah, have been blessed by the birth of a beautiful child, Molly Ann.

Martin has decided that 8 years on my staff, in addition to 2 years working in Washington for my senior colleague, BENNETT JOHNSTON, is quite enough. And so he is entering the private sector, where I am certain he will be extremely successful.

Mr. President, I wish him and Mary Leah well in their exciting new life, and I thank him for his years of devoted service to me and to our country.

TRIBUTE TO CARLOS GONZALEZ

Mr. COCHRAN. Mr. President, Carlos Gonzalez is leaving the staff of the Senate Republican Conference after 6 years of dedicated service. He has been a very valuable member of our staff, and we will miss him very much.

Mr. Gonzalez has had a distinguished career. He graduated from Universidad De San Carlos De Guatemala in 1974 and Central Michigan University in 1978.

In 1983, Mr. Gonzalez became director of Spanish Radio News at the Republican National Committee. In this capacity, he served as producer, translator, and broadcaster of Spanish radio programs and interviewed high-ranking officials from the White House, the Congress, and the Republican party.

He also translated President Reagan's Saturday radio addresses and edited political news dispatches during the Reagan-Bush 1984 reelection campaign.

In 1985, he took a leave of absence from the RNC to work as a political and communications adviser to Guatemalan President Marco Vinicio Cerezo Arevalo.

Soon after, he served as a special assistant to Vice President Roberto Carpio Nicolle and as an international aid coordinator for President Averalo. His efforts to encourage United States businessmen to invest in Guatemala enhanced the good will between our two countries.

As a member of the staff of the Republican Conference, he sent a weekly report on Capitol Hill events to Hispanic radio and television stations. He also prepared a Spanish language voice

mail system for reporters to keep up with news events in Washington. In addition, he regularly translated correspondence for Republican Senators' offices.

There are at least 22 newspapers which regularly feature his articles and news translations, and his broadcasts are picked up by more than 300 radio and television stations across the country. His voice has become one of the most recognized in the Hispanic news media.

Mr. Gonzalez is moving with his family to Maine, where he can spend more time with his children who are attending school in New England. On behalf of the entire conference staff, I wish him and his family all the best in Maine and thank him for his excellent work.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as anyone even remotely familiar with the U.S. Constitution knows, no President can spend a dime of Federal tax money that has not first been approved by Congress, both the House of Representatives and the U.S. Senate.

So when you hear a politician or an editor or a commentator declare that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that it was, and is, the constitutional duty of Congress to control Federal spending. Congress has failed miserably for about 50 years.

The fiscal irresponsibility of Congress has created a Federal debt which stood at $4,303,726,252,363.71 as of the close of business on Tuesday, June 8, 1993. Averaged out, every man, woman, and child in America owes a share of this massive debt, and that per capita share is $16,755.21.

GEOFF HOOPER, NATIONAL SPELLING BEE CHAMPION

Mr. SASSER. Mr. President, I rise today in recognition of an achievement attained by a middle school student in Bartlett, TN, Geoff Hooper.

Geoff recently won the National Spelling Bee here in Washington, beating out 234 regional champions.

Geoff is the first spelling bee champion representing the Memphis area to win the national championship title since 1951. He is not only a winning speller, but he is also a member of a championship soccer team, his school band, and the honor society at the Shadowlawn Middle School in Arlington, TN.

In winning the championship, Geoff conquered intimidating words such as ankh and oleander to move into the final rounds. He captured the championship by correctly spelling enchilada and kamikaze in the final round.

I want to congratulate Geoff on his winning effort, and I want to encourage him to continue his competitive spirit. It will surely lead him toward greater success in life.

CLINTON TAX PLAN IS PARALYZING JOB CREATION

Mr. DOLE. Mr. President, 1993 should be the year of the taxpayer. Unfortunately, if President Clinton's massive tax plan becomes law, the taxpayers will be in big, big trouble as 1993 becomes the year of the big, big tax increase.

It is no wonder that businesses are scared to death about the future, what with the daily tax offensive from the While House. Every day there seems to be some idea to tax businesses or sock them with job-killing mandates. That is why businesses are reluctant—even adamant—about not wanting to create any new jobs or take any investment risks because, if they do, they may pay a terrible price.

This is not just BOB DOLE's view. It is the view expressed in countless news articles focusing on the ongoing job paralysis across the country.

The latest is an article in USA Today detailing the anxiety American businesses are feeling as President Clinton pushes his huge tax increase plan on Capitol Hill.

I just happen to have a copy which I will put in the RECORD later, but aptly the story is titled "Companies Are Scared of Hiring." They are not hiring. They are scared to death. They know this big tax package is coming. Whatever people may call it, it is going to be a big, big tax package. They are scared of hiring. And reporter Beth Belton details the flat national employment picture and then underscores the reasons why employers are holding back: Uncertainty about President Clinton's tax plan, uncertainty about the impact of his health care plan on their bottom-line costs, and continuing uncertainty about the economy.

Let me quote one important conclusion from this USA Today report:

> 27 months after the last recession ended, companies are still trying to avoid hiring more workers even if their business picks up.

Now, something is definitely wrong when employers are sending out that kind of distress signal. The reason is business men and women are waiting for the right signal from Washington, waiting for Congress and the White House to finally tune into the real world where spending cuts and fewer mandates are the best medicine for a healthy job market. It is a Main Street message that is telling us that big taxes, big Government, and big mandates will only continue to destroy the confidence of the free enterprise system. Keeping the world's greatest job producing machine in neutral is not the way to go.

Let us hope the administration and the Congress finally get the message. So I say to President Clinton and to my colleagues on both sides of the aisle, it is not too late to start over.

In fact, I think it is about time we started over. Let us scrap this job killing tax plan and let us put something together that cuts spending first.

Again, wherever you go in America, whoever you talk to—Independents, Democrats, or Republicans—they know that the Government is too big, that we spend too much money, too much on Congress, too much on the White House, too much everywhere, and they do not understand why we do not cut spending first and why we are always so anxious to raise taxes on everybody in America.

I am always reminded. They say, "Well, 70 percent of the taxes are going to be paid by the 'rich.'" If that is the case, that leaves about $90 to $100 billion to be paid by the poor. I do not think everybody in America is rich. They are going to be fewer than that in that category after this big tax plan goes into effect, which means fewer jobs, fewer opportunities for Americans who are trying to make it in the private sector.

Mr. President, I hope my colleagues will carefully read this cover story. It is a cover story, not an article, a cover story. Again, it is not some Republican doctrine. It says the "Companies Are Scared of Hiring." That is what the title is. It ought to be read by everybody. I hope the President has had a chance to read it. I hope his new communications or general counsel, David Gergen, has an opportunity to read it. The companies are scared.

I just left a meeting of businessmen and businesswomen. They are not doing anything until they find out what the bill is going to be for this big tax package, plus what it is going to be for the big health care package.

Let us face it. If we want to get the American economy going, we have to work together on a bipartisan, nonpartisan basis to cut spending first. That is the message.

Mr. President, I ask unanimous consent that the article entitled "Companies Are Scared of Hiring" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From USA Today, June 10, 1993]

COMPANIES ARE SCARED OF HIRING

(By Beth Belton)

Craig Benson's story should inspire hope among the unemployed.

Ironically, it won't.

His company, Cabletron, has added 800 workers since May 1992—bringing employment to 2,800. And the Rochester, N.H.-based company might add another 800 jobs the next 12 months.

But Cabletron is prospering because other companies buy its computer networks so they can replace workers or boost production without hiring anyone. "Downsizing helps us," Benson, the company's chairman, admits.

Cabletron's success story underscores the No. 1 problem facing the economy: 27 months after the last recession ended, companies are still trying to avoid hiring more workers, even if their business picks up. And that's keeping the nation's unemployment rate relatively high as the economic recovery chugs through its third year.

But are times really that bad when the unemployment rate is 6.9%? In the early and mid-1980s, the jobless rate was stuck at 7% or much higher for 68 consecutive months—from May 1980 through December 1985. Unemployment was high even after the economy had emerged from recession and begun to grow rapidly.

The unemployment rate peaked at 10.8% in 1982. The high this decade: 7.7% in June 1992.

The economy boomed after the 1973–75 and 1980–82 recessions largely because the downturns had been so wrenching. There was a lot of lost ground to regain. The eight-month recession of 1990–91 was shallow, so it's not surprising that growth since then has been sluggish.

A strong case can even be made that a slow recovery and modest job growth are good for the economy. Inflation should stay low. And low inflation should mean the Federal Reserve won't push up short-term interest rates and bond traders won't push up long-term rates. Low interest rates help spur economic growth by encouraging consumers and businesses to borrow and then spend. So chances are low that another recession will soon drive unemployment sharply higher. In four or five years, employers and employees alike may look back on 1992 and 1993 as good years that started a healthy run in which unemployment steadily edged down as economic growth chugged along at a slow but steady pace.

The only problem with that argument is that as long as the economy doesn't churn out jobs rapidly, as in previous recoveries, people without jobs suffer longer.

Last week's government report that the unemployment rate fell to 6.9% in May—lowest since November 1991—was encouraging. A total of 209,000 jobs were added to payrolls in May—a third more than economists had expected. And the Labor Department boosted its estimate of April's job growth to 216,000 from an initial estimate of 119,000.

But few economists think the job drought has ended. Selected newsmakers this week: Tenneco plans to slash 1,000 jobs in its East Coast shipbuilding division. Deluxe, a Minnesota check-printing company, lays off 500 workers. Paramount Communications says job losses will follow the closing of three Midwest printing sites.

Other signs of sluggish job growth:

The economy finally has recovered the 1.3 million jobs lost during the recession that ended in March 1991. But getting employment back to where it stood before the recession began in July 1990 took 25 months. The previous five recoveries, it took an average of nine months.

Three-fourths of the people who said they landed a job last month reported they were working part time—many because they couldn't find full-time work, not because they wanted to work part time. In the past year, 15% of jobs added to payrolls have been at restaurants, and most of the jobs were low-paying and part time.

The outlook isn't encouraging, either. Dun & Bradstreet's annual survey of 5,000 companies predicts 2.1 million jobs will be created this year—a modest gain of 175,000 jobs a month.

"That's not a fantastic employment gain," Joseph Duncan, D&B economist, says. And the forecast might be overly optimistic. Last year, D&B's survey estimated that the economy would add 1.9 million jobs in 1992. The actual figure: 1.6 million.

Even employers who say business is strong are cautious about adding workers this year.

Demand has picked up enough for Hiwasse Manufacturing in Jacksonville, Ark., to begin hiring again, President J. Richard Derickson says. During the recession, the manufacturer of decorative trim for appliances cut its workforce to 43 employees from 50. After the recession ended, business remained sluggish. Hiwasse workers' hours were cut to an average 32 hours a week from 40.

But the lowest mortgage rates in longer than 20 years helped rejuvenate the housing market, and Hiwasse's business is booming as appliance makers work hard to meet rising demand from home builders and home buyers. Derickson added five jobs this year—part-timers who gradually worked up to full time—and has employees working at least 40 hours a week as well as some overtime.

Still, Derickson says, "I'm keeping my fingers crossed. Quite honestly, there are a lot of impediments to adding workers."

Tops among those impediments is uncertainty about the economy. Gross-domestic-product growth slowed to a disappointing 0.9% annual rate last quarter after bustling along at a 4.7% pace in the fourth quarter of 1992. Most economists expect a modest rebound this quarter, to a 2.5% or 3% annual rate, but many executives say they want proof that the economy is that healthy before they start hiring.

Also high on the list of obstacles to job growth is health care. These days, a new worker's benefits easily can equal 40% of his or her salary. Small businesses in particular are worried about President Clinton's health-care-reform plans and what that may mean for their costs.

Third on many employers' lists of worries: what kind of economic package the Clinton administration will get through Congress and whether employers will be slapped with higher taxes and new regulations to pay for it.

Other factors offsetting the job growth that is occurring: Defense-spending cuts and weak economies overseas are cutting into growth of U.S. exports, which in recent years had been a key source of strength for the economy.

Employers and economists agree that while the economy may not be in desperate shape, there's little reason to think employment growth will accelerate soon. And while slow growth may not trouble the 93% who have jobs, it's devastating to the 8.9 million people who are unemployed.

Too many people, says Robert Brusca, chief economist at Nikko Securities International, are "unsatisfied, disappointed and without jobs."

TRIBUTE TO MRS. LANIE J. COLEMAN

Mr. THURMOND. Mr. President, I rise today to offer my warm congratulations to Mrs. Lanie J. Coleman, of Aiken, SC, who celebrated her 100th birthday on June 5, 1993. Mrs. Coleman is an outstanding lady, who taught for 35 years in the public school system in South Carolina.

Mrs. Coleman's influence has touched the lives of several generations of young people in Aiken, through both her teaching and her involvement with her church, Friendship Baptist of Aiken. A member of the Missionary Society, she taught Sunday school for 52 years and founded the first Junior Mission Society in Aiken. She also served as superintendent of Friendship Baptist's Vacation Bible School for 22 years.

Mrs. Coleman is a former vice president of Church Women United, and currently serves as the vice president of the Aiken County District of the Woman's Baptist Convention. Mr. President, Mrs. Coleman's life has been a witness to her faith and devotion to serving others. I join her family and friends in commending her for all her good work, and wishing her health and happiness in the future.

JOHN LECLAIR, VERMONT'S HOCKEY HERO

Mr. LEAHY. Mr. President, if you have been following the Stanley Cup hockey championship match between Montreal and Los Angeles, you know of John LeClair. And while you may have admired the skating and scoring ability of Mr. LeClair, there is another reason why this member of the world champion Canadiens team holds a special place in the hearts of Vermonters. He is one of us.

A native of St. Albans, John is the first Vermonter to play in the National Hockey League. In his first season of play, John has become one of the National Hockey League's premier scorers, climaxing his rookie year by scoring sudden death, overtime goals in consecutive games to gain a permanent place in the proud history of hockey's most successful franchise.

Many Vermonters only dream of playing hockey at the Forum where skaters like Guy Lafleur, Ken Dryden, Larry Robinson, and Maurice Richard performed and thrilled generations of fans from both sides of the boarder.

Mr. LeClair is a role model for today's youngsters—both on and off the ice.

His mother, Beverly, is a nurse at Northwest Medical Center in St. Albans. Robert, his father, is a store manager in the same lovely city by the shore of Lake Champlain—hockey country in the northwest corner of our State—hard against the Canadian boarder.

John led Bellows Free Academy in St. Albans to the State hockey championship, and played college hockey on the University of Vermont varsity team, where the won ECAC honors.

We're very proud of this native son who has brought a title to Montreal—but so much more to his neighbors and friends in Franklin County.

Mr. President, I request that two articles that appeared in the Burlington Free Press on June 1 and June 9, 1993,

be reprinted in the CONGRESSIONAL RECORD to commemorate this very proud moment in Vermont sports history.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Burlington Free Press, June 1, 1993]

LOCAL BOY LECLAIR MAKES GOOD

(By Josh Kaufmann)

It's the kind of story sport fans drool about. It's the kind of ice hockey magic that turns a shy, unassuming, local kid into a legend.

Six years ago, Vermonters watched John LeClair lead Bellows Free Academy-St. Albans to a state hockey championship. Today, the hometown cognoscenti will be watching LeClair take on Wayne Gretzky and the Los Angeles Kings in the Stanley Cup finals in Montreal.

"Even the people not really interested in hockey are talking about him," said Jay Parent, an employee at Kevin Smith's Sports Connection on Main Street.

But for every Vermont youngster who covets hockey fame, LeClair's Stanley Cup debut is the stuff of dreams. LeClair is the first Vermonter to play for an NHL team and perhaps the first to etch his name into the legend that is the Kentucky Derby of Ice hockey: the Stanley Cup.

For 11-year-old Josh LaRocque of Swanton, LeClair is a larger-than-life hero. "For my birthday, I got a huge painting of John LeClair," LaRocque said.

During youth hockey games in the Northeast, LaRocoque said, coaches invoke LeClair's name to make players skate harder.

That sense of connecting with greatness is nowhere more apparent than with LeClair's father, Robert.

"Because he comes from Vermont and St. Albans, people feel like he's part of them," said Robert LeClair, who idolized 1952 Olympic gold medal ski champion Andrea Mead Lawrence of Rutland.

But LeClair takes his newly acquired fame in stride. "He's always really shied away from attention, and that's not because he's stuck-up, it's just the way he is," said Robert LeClair. Robert and his wife, Beverly, still live in this former railroad center 18 miles south of the Canadian border. Their famous hockey-playing son, who resides in Montreal, frequently comes back to visit.

"With him playing in Montreal, I think the young kids have an interest in the pro league a lot earlier," said Louie Collins, manager of Duke's Sport Shop on Lake Street.

"Sometimes I'll call him, and any kids around really get a kick out of that. They picture him as a Shaquille O'Neal or a Michael Jordan; someone who's not a normal human."

If Montreal wins it all, LeClair's local status as a hero will probably grow.

"The possibility of having his name on the Stanley Cup is exciting," said Robert LeClair. "I hope they do (win), because I'd love to be at that parade."

[From the Burlington Free Press, June 9, 1993]

HOCKEY DISCOVERS LECLAIR

(By Ted Ryan)

Suddenly, all of hockey is scrambling to discover the life and times of John LeClair.

After carving a niche in Montreal Canadiens lore by scoring the winning overtime goal in successive games of Stanley Cup finals against the Los Angeles Kings, LeClair has become the focus of intense media interest.

And the spotlight has fallen brightly upon St. Albans, where the former University of Vermont star excelled for Bellows Free Academy.

"I've been on the phone every five minutes," a weary Robert LeClair, John's father, said Tuesday. "It was an awfully short night (Monday) night."

Robert LeClair watched his son score at 14:37 of overtime, nearly 12:30 a.m. Tuesday. At 6:30, talk show host Ted Blackman of CJAD radio in Montreal called to discuss John LeClair's heroics.

And that was just the beginning.

The Journal de Montreal sent a reporter to delve into John LeClair's hometown. The Boston Globe wanted information on the Canadiens' newest hero and a perspective on St. Albans.

"It's been awfully exciting," Robert LeClair said, adding, with a reference to tonight's fifth game in Montreal, "But I hope it ends (tonight)."

The Canadiens have 3-games-to-1 lead over the Kings in the best-of-7 series.

The playoff heroics—LeClair has four goals, three of which were game-winners—and a strong finish to the regular season should help his negotiating position for a new contract. He is completing the second year of a three-year deal.

LeClair's agent, Louis Gross of New York, said he has been approached about endorsements and autograph sessions for LeClair.

Robert LeClair said he watched Monday's game on the television set in the bedroom while his wife, Beverly, and daughter Susan watched in the living room. "I can't stand the screaming, and they can't stand my bitching," he said.

With the Canadiens' flying back from Los Angeles on Tuesday, LeClair had not talked to his son since Sunday afternoon, hours after John LeClair's first overtime goal beat the Kings 4–3.

"He was out with some of the boys, riding around in a limousine that had a car phone," LeClair said.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 having passed, morning business is closed.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The PRESIDING OFFICER. The Senate will now resume consideration of S. 3, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 3) entitled the Congressional Spending Limit and Election Reform Act of 1993.

The Senate resumed consideration of the bill.

Pending:

(1) Mitchell/Ford/Boren amendment No. 366, in the nature of a substitute.

(2) McCain amendment No. 401 (to amendment No. 366), to limit the amount in which loans made to a campaign by a candidate and members of the candidate's family may be repaid.

(3) Kempthorne amendment No. 402 (to amendment No. 366), to require complete audits of all candidates that receive public benefits under the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from Idaho [Mr. KEMPTHORNE] and the Senator from Arizona [Mr. MCCAIN] and the Senator from Oklahoma [Mr. BOREN] each control 5 minutes of debate prior to votes on amendments Nos. 401 and 402. The Senator from Idaho is recognized.

AMENDMENT NO. 402

Mr. KEMPTHORNE. Mr. President, with regard to my amendment, I would first like to address the bill itself, Senate bill 3, dealing with campaign reform. I think all of us realize that the American public wants to see reform in the area of campaigns. Having just recently gone through my own election, I know that there are different areas that we can address, that we can bring about reform, that is going to be better.

The difficulty I have, Mr. President, with Senate bill 3 is the fact that it requires the taxpayers to pay for this reform. At no time during my campaign did I have a group of taxpayers come up to me and say, "Please, tax me so that we can use this money to support your campaign."

All States have had the opportunity. Americans throughout these United States have had the opportunity in the tax returns where they can check off if, in fact, they would like to voluntarily see the taxes used for this purpose. In Idaho, only 9 percent of the public have ever indicated that they would like to see this brought about. This will literally cost Americans hundreds of millions of dollars. This is a new entitlement program, only this entitlement program is for politicians. I do not think that this is the way we should be going. This is not the reform for which America has been asking.

With a $4 trillion debt, I do not think the taxpayers want this on top of it.

But, Mr. President, having said that, if in fact Congress is intent upon passing this type of legislation, my amendment helps us to be explicit, helps us to deal with this. We have passed an amendment that said if the campaign goes with direct mail, they are to submit that to the FEC. This bill says that for those candidates receiving public financing, 10 percent of those campaigns will be audited by the FEC.

My amendment is straightforward. If, in fact, we are going to use the taxpayers' money, then all campaigns, 100 percent, are to be audited by the FEC. We owe that level of accountability to the American taxpayer if we are now going to use their money for this additional purpose.

So, Mr. President, that is the nature of my amendment. Again, it is to give to the American taxpayer the fact that there will be strict accountability if in

fact we are going to move forward and use taxpayers' money for politicians' entitlement.

Mr. President, I yield the remainder of my time and I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. McCONNELL. Mr. President, I commend my friend from Idaho for his excellent statement and for his amendment.

I should also indicate that as to Senator McCAIN'S amendment, which will be coming up in tandem with the Kempthorne amendment, Senator McCAIN has indicated he will not be speaking further.

But just let me say, with reference to the McCain amendment, that the purpose of the McCain amendment as I understand it is simply to ensure that if a candidate wants to use his or her own resources in a campaign, which they are constitutionally provided the opportunity to do, they really use them. In other words, that they do not engage in the process of going out and using their own money and then, after the campaign, paying themselves back with other people's money.

In other words, what Senator McCAIN is seeking to do so to guarantee that candidates do, in fact, use their first amendment freedom to spend everything they have if they want—they are constitutionally permitted to do that—but they really have to spend it; that they cannot engage in the sort of post-election process of putting that special interest money right back in their own personal pockets for their own personal use.

That is the thrust of the McCain amendment. I think it is a good amendment. I hope the Senate will adopt it.

I reserve the remainder of whatever time remains to Senator McCAIN.

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

Mr. McCONNELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. McCONNELL. Mr. President, I yield all of the time on the McCain amendment, and I ask unanimous consent that it be temporarily laid aside.

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

Mr. McCONNELL. Mr. President, are we now ready for the vote on the Kempthorne amendment?

The PRESIDING OFFICER. We are ready to vote on amendment No. 402.

The question is on agreeing to the amendment of the Senator from Idaho.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Louisiana [Mr. JOHNSTON], the Senator from Nebraska [Mr. KERREY], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Pennsylvania [Mr. WOFFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Oregon [Mr. HATFIELD], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Virginia [Mr. WARNER] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "yea."

The PRESIDING OFFICER (Ms. MOSELEY-BRAUN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 92, nays 0, as follows:

[Rollcall Vote No. 143 Leg.]

YEAS—92

Akaka	Exon	Mathews
Baucus	Faircloth	McCain
Bennett	Feingold	McConnell
Biden	Feinstein	Mikulski
Bingaman	Ford	Mitchell
Bond	Glenn	Moseley-Braun
Boren	Gorton	Moynihan
Boxer	Graham	Murray
Bradley	Gramm	Nickles
Breaux	Grassley	Nunn
Brown	Gregg	Packwood
Bryan	Harkin	Pell
Bumpers	Hatch	Pressler
Burns	Heflin	Pryor
Byrd	Helms	Reid
Campbell	Hollings	Riegle
Chafee	Inouye	Robb
Coats	Jeffords	Rockefeller
Cochran	Kassebaum	Roth
Cohen	Kempthorne	Sarbanes
Conrad	Kennedy	Sasser
Coverdell	Kerry	Shelby
Craig	Kohl	Simon
D'Amato	Krueger	Simpson
Danforth	Lautenberg	Smith
Daschle	Leahy	Specter
DeConcini	Levin	Stevens
Dodd	Lieberman	Thurmond
Dole	Lott	Wallop
Dorgan	Lugar	Wellstone
Durenberger	Mack	

NAYS—0

NOT VOTING—8

Domenici	Kerrey	Warner
Hatfield	Metzenbaum	Wofford
Johnston	Murkowski	

So the amendment (No. 402) was agreed to.

AMENDMENT NO. 401

The PRESIDING OFFICER. The Chair advises the Senate the question recurs on the McCain amendment No. 401.

Mr. BOREN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

LEAVE OF ABSENCE

Mr. McCONNELL. Madam President, pursuant to rule VI, paragraph 2, of the Standing Rules of the Senate, I ask unanimous consent that Senator WARNER be absent from his duties in the Senate during the days of Thursday, June 10, and Friday, June 11, 1993. He will be attending and presenting testimony before the Base Realignment and Closure Commission regional hearings, which are to be conducted in the Commonwealth of Virginia during these 2 days.

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

Mr. McCONNELL. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

AMENDMENT NO. 401

Mr. McCONNELL. Madam President, is the pending business the McCain amendment?

The PRESIDING OFFICER. It is.

Mr. GRAMM. No time remains.

Regular order.

The PRESIDING OFFICER. The yeas and nays have been ordered on the McCain amendment. There is no time remaining for debate.

The Senator from Minnesota.

Mr. WELLSTONE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BOREN. Madam President, I ask unanimous consent that, prior to the vote on the pending amendment, the Senator from Minnesota might be allowed to speak for 5 minutes on the pending amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Minnesota.

Mr. WELLSTONE. Thank you, Madam President.

First of all, Madam President, I would like to have some order in the Chamber.

The PRESIDING OFFICER. The Senator from Minnesota has the floor. May we have order in the Chamber?

The Senator from Minnesota is recognized for 5 minutes.

Mr. WELLSTONE. Madam President, this amendment directly contradicts my earlier amendment, which passed the Senate with 88 votes, and which established a cap of $25,000 for the amount a candidate can contribute or loan to his or her own campaign. Let me just read from the report on S. 3 the relevant definition:

Under the bill, "Participating candidates would also be limited in expenditure or loans of their personal and immediate family's funds." There is no ambiguity here. This bill, and my amendment, restricted both contributions and personal loans that a candidate could make to his campaign.

Mr. FORD. Madam President, a point of order. The Senate is not in order.

The PRESIDING OFFICER. Senators will cease all conversations while the Senator from Minnesota has the floor.

The Senator from Minnesota.

Mr. WELLSTONE. Thank you, Madam President. And I thank the senior Senator from Kentucky for his courtesy.

It is actually quite important, because Senators are about to vote, that Senators understand the contradiction embodied in this amendment. This amendment would allow a candidate to loan his or her campaign up to $200,000, instead of the $25,000 limit in my amendment. Make no mistake; it would increase—not limit—the amount that a person could loan to his own campaign.

I read from the report on the original S. 3, which is the bill we are now dealing with.

Last week, my amendment reduced the limit from $250,000 down to $25,000 that a candidate could give or loan to his own campaign, even if he paid that loan back before the election. Its purpose was to prevent wealthy people from contributing or loaning huge amounts to their own campaigns, in the expectation that they could be repaid from political contributions.

Senators voted for that.

I just want colleagues to know that I believe this amendment creates, a large loophole under the much more stringent limit set in my amendment. It directly contradicts how 88 Senators have already voted.

If Senators want to vote in contradiction to a vote they have already cast, they can do so. But I do believe that is the kind of thing that makes people so indignant when, on the one hand, we vote one way, then we try to figure out a way to create a loophole the other way.

So I would simply urge my colleagues to vote against this amendment.

I thought that since we had this vote it was very clear what it covered—all contributions, including loans, that a candidate would give to his own campaign. A vote for this amendment is a vote to reverse the Wellstone amendment with respect to a candidate's loans to his own campaign, and to increase the loan limit now in the bill from $25,000 to up to $200,000.

I urge my colleagues to vote against this amendment.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. WELLSTONE. Yes, I yield back my time.

VOTE ON AMENDMENT NO. 401

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona [Mr. MCCAIN]. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Nebraska [Mr. KERREY], the Senator from Texas [Mr. KRUEGER], and the Senator from Ohio [Mr. METZENBAUM] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Oregon [Mr. HATFIELD], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Virginia [Mr. WARNER] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 44, nays 49, as follows:

[Rollcall Vote No. 144 Leg.]

YEAS—44

Baucus	Durenberger	Mack
Bennett	Faircloth	McCain
Bond	Feinstein	McConnell
Breaux	Gorton	Nickles
Brown	Gramm	Packwood
Burns	Grassley	Pressler
Campbell	Gregg	Roth
Chafee	Hatch	Shelby
Coats	Helms	Simpson
Cochran	Hollings	Smith
Cohen	Jeffords	Specter
Coverdell	Kassebaum	Stevens
Craig	Kempthorne	Thurmond
D'Amato	Lott	Wallop
Dole	Lugar	

NAYS—49

Akaka	Daschle	Inouye
Biden	DeConcini	Johnston
Bingaman	Dodd	Kennedy
Boren	Dorgan	Kerry
Boxer	Exon	Kohl
Bradley	Feingold	Lautenberg
Bryan	Ford	Leahy
Bumpers	Glenn	Levin
Byrd	Graham	Lieberman
Conrad	Harkin	Mathews
Danforth	Heflin	Mikulski
Mitchell	Pryor	Sasser
Moseley-Braun	Reid	Simon
Moynihan	Riegle	Wellstone
Murray	Robb	Wofford
Nunn	Rockefeller	
Pell	Sarbanes	

NOT VOTING—7

Domenici	Krueger	Warner
Hatfield	Metzenbaum	
Kerrey	Murkowski	

So the amendment (No. 401) was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MCCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Kentucky.

Mr. MCCONNELL. Madam President, the Senator from Oklahoma, Senator NICKLES, is here to offer an amendment.

Let me first say, briefly, the hypocrisy of the Clinton administration is simply beyond belief. On the front page of the Washington Post this morning is an article that says, "Democrats Court PAC's They Criticize." It is a fascinating piece about the hypocrisy and deceit of the administration with regard to the current issue.

Of particular interest is a couple of paragraphs right at the end of the article which I will read.

One of the lobbyists who spoke with the Washington Post this week accused the President and the DNC of "hypocrisy" because "the Republicans always did it and never made any bones about it. The Democrats not only are holding themselves out as opposed to this kind of thing, but attacking us and painting lobbyists as being the lowest thing since snakes."

It goes on:

Both of the lobbyists who spoke to the Post called back later to ask that their names not be used. One said he had gotten a call from "an associate" warning him "it would be a very bad idea to be publicly crosswise with the White House."

Madam President, I ask unanimous consent this article be printed in the RECORD.

There being on objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 10, 1993]

DEMOCRATS COURT PACS THEY CRITICIZE

(By Ann Devroy)

With time running out on their first—and maybe last—chance to use access to White House officials to solicit political action committee contributions, the Democratic National Committee this week is making a renewed pitch to lobbyists to give while their money still carries weight.

President Clinton has proposed sharply reducing how much PAC money federal candidates and parties can receive as part of campaign finance changes being debated in the Senate this week. But as the White House lobbies to reduce the influence of PACs, many of the large ones are being

asked this week to pay up to $15,000 for the June 28 President's Dinner and "retreat" that features the president, vice president and top administration officials giving a series of "briefings."

At least two Washington lobbyists who were contacted by the DNC this week complained. One said he was "disgusted" at being bashed by Clinton for political gain in one breath and approached for 15 grand in the other. Both said the DNC referred them to the White House. White House officials said that they had nothing to do with the dinner, other than arranging for Cabinet members and officials to attend it and the briefings, and sending an aide to brief the dinner steering committee.

The President has frequently decried Washington lobbyists and special interests in calling for a restructuring of campaign and lobbyist rules and a radical change from the way business has been conducted in the capital. White House communications director Mark Gearan said that until the rules are changed for both parties, the Democrats cannot unilaterally disarm themselves. And DNC spokeswoman Catherine Moore said, "the chairman is committed to changing" the campaign finance rules but "in the meantime, we have obligations. We've got bills to pay."

The Clinton administration's approach to the President's Dinner, which was the major fund-raiser for Republicans in the last 12 years while they held the White House, is similar to the GOP approach. Donors are not limited in the amounts they can give, as they are with contributions to individual candidates.

To encourage large donations, the Democrats have adopted the Republican approach of offering packages that include events added to the dinner as special attractions. The DNC hopes to raise about $2 million with the dinner-retreat, Moore said.

Because the biggest givers are the wealthy or the PACs for business and industry, the names advertised in the "fact sheets" attached to the formal dinner and retreat invitation are the economic policy-makers or those involved in major policies likely to have big economic and employer impact. In this case, the "suggested" speakers for the briefings include the treasury secretary, the economic adviser to the president, the chairman of the Council of Economic Advisers, the director of the Office of Management and Budget and the U.S. trade representative, as well as Ira Magazine, the Clinton adviser overseeing the president's proposal for overhauling health care.

Two packages are offered. Just attending the dinner costs $1,500 a ticket, or $15,000 for a table of 10. The second package features two tickets to the dinner and "a weekend retreat" for $15,000.

The retreat information highlights a "welcome dinner" featuring White House Chief of Staff Thomas F. "Mack" McLarty and a day of "briefings" featuring key members of the Cabinet and White House staff. An administration agreement to have Clinton host a breakfast at the White House was canceled after questions were raised over holding fund-raising events there, and he will appear only at the dinner.

The Senate last month voted to ban PAC contributions but that vote was viewed more as posturing than legislative reality. Something closer to Clinton's proposal is more likely to emerge if Democrats can attract enough Republicans to avoid a GOP threat to filibuster the bill. That proposal would limit the amounts candidates can receive from PACs and shrink to $1,000 the size of any individual PAC contribution. It also would virtually end the system under which both parties raised millions outside the federal candidate spending regulations partly through events such as this dinner.

Campaign advocates criticized the practice of using access to officials as a fund-raising tool, but said Clinton, unlike the Republicans, was pushing to restructure the system. Fred Wertheimer of Common Cause said, "It is central to change the rules of this campaign finance system, and the White House is supporting this change."

But, he said, "Any kind of activity that you get special access to government officials is something that is wrong, whether it is done by the Bush administration or the Clinton administration.

One of the lobbyists who spoke with The Washington Post this week accused the president and DNC of "hypocrisy" because "the Republicans always did it and never made any bones about it. The Democrats not only are holding themselves out as opposed to this kind of thing, but attacking us and painting lobbyists as being the lowest thing since snakes."

Both of the lobbyists who spoke to The Post called back later to ask that their names not be used. One said he had gotten a call from "an associate" warning him "it would be a very bad idea to be publicly crosswise with the White House." Both said that while they were unhappy with the solicitations, their employers, while unwilling to attend the dinner, would frown on public attacks on Clinton.

[From the Los Angeles Times, June 10, 1993]

RIORDAN TO TAP BUSINESS, GOP FOR HIS NEW TEAM AT CITY HALL

(By Rich Connell and Frank Clifford)

As he shifts his attention to the daunting challenge of governing Los Angeles, Mayor-elect Richard Riordan is expected to draw on a broad network of advisers—many of them newcomers to government—who will reshape the political face of City Hall.

Advisers said Riordan, the first Republican to win the office in 36 years, will assemble a team that will include more members of his party, more entrepreneurs, more San Fernando Valley residents and fresh faces from minority communities.

It also will probably include some well-traveled holdovers from the 20-years Administration of Mayor Tom Bradley.

But a key difference in the Riordan regime will be its business leanings. Aides said Riordan, a wealthy venture capitalist and philanthropist, will use his contacts in the business community to enlist retired executives in his drive to make City Hall into a more performance-oriented and market-place-sensitive entity.

"The key thing that's going to be different is the people," said developer Tom Tellefsen, Riordan's Brentwood Park neighbor and part of a 30-member steering committee that counseled the lawyer-businessman throughout his first campaign for office. "We will see people * * * you would not normally find in the public sector," said Tellefsen, a Republican who had not previously been involved in City Hall politics.

Riordan on Wednesday reiterated his promise to bring representatives of all political affiliations, ethnic groups and neighborhoods into his Administration.

"I'm going to be a mayor who gets around to different parts of the city. Making people know that I care about them, that my Administration cares about them," Riordan told reporters at a downtown news conference.

"We don't care whether that person is a Democrat, a Republican, an independent. * * * We are going to take the person and not the party."

Riordan named his trusted business associate and campaign chairman, Democrat William Wardlaw, to lead the effort to recruit a new governing team of staff members and hundreds of commission appointees.

"You are going to see a whole new group of people in City Hall and in the commissions," Wardlaw said. "This is a significant change. * * * [Riordan] wants to bring in the best and the brightest and have his Administration reflect the diversity, the rich diversity of this city."

In an election that drew 43% of the city's registered voters to the polls—the largest turnout for a mayor's race in 20 years—Riordan prevailed, 54% to 46%.

He carried nine City Council districts with concentrations of middle-class and white voters in the Valley, the Harbor and Westside.

City Councilman Michael Woo—even though he was endorsed by President Clinton in a city where two-thirds of the voters are Democrats—carried only six districts, including his own in Hollywood and heavily Latino and African American districts in Central, East and South Los Angeles.

As Riordan stressed that he will run a bipartisan Administration, his victory in Los Angeles was sending a strong message across the country: that a Republican can win in an urban Democratic stronghold.

And Riordan is not the only Republican to do so lately. On the East Coast, Bret Schundler left a good Wall Street job to immerse himself in politics in Jersey City, N.J., and in a November special election he became its first Republican mayor in 75 years. He was reelected in May, despite the fact that Republicans make up just 6% of the electorate. Like Riordan, Schundler was belittled as a wealthy Wall Street shark.

In Washington on Wednesday, GOP leaders sought to assign great significance to Riordan's victory in Los Angeles. "[It] is the latest proof that people of all parties and all ethic backgrounds are looking to Republican leadership to help solve our national and urban challenges," said Senate Republican Leader Bob Dole.

William Schneider of the American Enterprise Institute in Washington said Riordan's victory in the nation's second-largest city is a tantalizing development for urban Republicans.

"Riordan really came on with a new kind of coalition—white voters with enough liberals and minority support to get elected. A lot of people are asking: Could this work somewhere else?" Schneider said.

"The larger lesson here is that cities everywhere are in decline. Democrats are in charge in almost all large cities. Republicans may be able to offer an appealing alternative, especially since the Democrats are showing they can't even deliver with a democratic President pledged to help the cities."

But getting elected is a far cry from turning around a metropolis as crime-ridden, politically Balkanized and racially troubled as Los Angeles.

Riordan's greatest potential pitfall, said Los Angeles Chamber of Commerce President Dan Garcia, is "that he'll grow impatient with the intractability of the system" of slow consensus-building in City Hall decision making.

"Dick's instinct is to make changes very fast," Garcia said.

Lobbyist Steve Afriat, a close council observer who backed Woo, said Riordan will have "a lot of pressure on him. He is the citizen politician who won. We're all sitting back, kind of smug, saying: 'O.K. You do it better.'"

Mr. MCCONNELL. Madam President, briefly on another related matter, I heard with great interest the comments of the senior Senator from Nebraska last night indicating his opposition to S. 3 and recalling the experience he had had apparently just yesterday being attacked in Nebraska newspapers about an organization called Public Citizen.

Public Citizen is one of the principal soft-money operations hiding behind the Tax Code which are busily engaged in politics all across America. I sympathize with the senior Senator from Nebraska. Apparently Senator KERREY was also attacked.

This is the kind of soft-money operation that will be completely untouched in any way by the underlying legislation.

So I would like to share with the Senate an article that I wrote in reply to a similar trashing which the organization, Public Citizen, gave me in my State. I offer this not only for Senator EXON but for any other Senators who may be interested.

I ask unanimous consent that the op-ed piece of mine appearing in the Louisville Courier-Journal of June 6, 1993, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Louisville Courier-Journal, June 6, 1993]

CAMPAIGN REFORM RABIES

(By Mitch McConnell)

WASHINGTON.—As Joan Claybrook's May 26 diatribe ("McConnell: Threatening Reform") reveals, her so-called watchdog organization, Public Citizen has a case of campaign "reform" rabies and is frothing at the mouth because I oppose their plan to force taxpayers to pay for political campaigns.

The truth is that Congress might be able to pass bipartisan, meaningful campaign reform if it weren't for the interference of demagogues and profiteers like Joan Claybrook and Public Citizen. Despite its good government patina, Public Citizen is really just another Washington special interest lobbying group, with strong but secretive ties to the wealthy plaintiffs' lawyers bar.

Using slick direct-mail fund-raising appeals, Claybrook and her group have exploited the campaign reform issue to wheedle money out of people, by screaming clichés about special interests (neglecting to mention their own special interests), and begging for cash to help them fight for "real" reform.

The longer the stalemate persists over campaign reform, the more Public Citizen can make. Quite a clever and lucrative scam.

In fact, Public Citizen has helped to sabotage bipartisan reform efforts by insisting that any campaign finance bill must include taxpayer financing and campaign spending limits—two "poison pill" provisions that most Republicans, some Democrats, and nearly all Independent campaign finance experts oppose.

Public Citizen's narrow and self-serving agenda has played into the hands of those who thrive off the status quo in campaign financing. Significant reforms, such as banning political action committees, banning all forms of unlimited and undisclosed "soft money," and restricting "bundled" contributions—reforms that have bipartisan support—are being stonewalled by Public Citizen while it continues to grandstand and rake in money.

What Public Citizen wants is to use federal tax dollars to fund political campaigns, even though the real public hates the idea.

Every year we have a nationwide "poll" on income tax returns where taxpayers are asked whether they want to designate $1 from taxes they already owe to the presidential campaign fund. Only 17 percent check "yes," down from a high of 29 percent, even though there is no added cost. Support is even lower among Kentuckians; just 10 percent.

It is outrageous for Public Citizen to advocate a brand new entitlement program for politicians—the ultimate perk—while taxpayers are being asked to sacrifice by paying higher taxes. And don't forget: Public Citizen won't help pay for this system; it's tax-exempt.

The second prong of Public Citizen's agenda is to limit the amount of money spent in campaigns. However, in modern political campaigns, spending equals speech. The Supreme Court held that campaign spending cannot be limited because spending is necessary to buy the forums that candidates use to communicate with voters. While we may yearn for the good old days when candidates could speak personally with every voter from the courthouse steps, the reality is that expensive mass media is the only effective way to reach huge electorates.

Limiting a candidate's campaign spending essentially limits that candidate's speech. Nevertheless, the Court has ruled that candidates may be given "incentives" such as tax dollars to limit their spending-speech—as long as the limits are voluntary. In fact, that's how the presidential system works; in 1992, President Clinton and then-President Bush limited their speech and each got $55 million. Ross Perot did not agree to the limit and was denied public money, but nothing had happened to him.

Under Public Citizen's plan, candidates who agreed to limit their spending-speech would get taxpayer-funded "communication vouchers" (those infamous "food stamps for politicans"), cut-rate mailing privileges, and a half-price discount on broadcast advertising.

But the Public Citizen plan also would punish candidates who refused to limit their speech or accept taxpayer subsidies. Such candidates would be denied the legal broadcast discount, would be forced to include self-incriminating statements in their ads, and would trigger extra taxpayer-funded subsidies to their opponents if they spent even $1 over the limit.

Obviously, there is nothing voluntary about a system that penalizes those who do not wish to participate, using taxpayer funds as a whip.

Public Citizen's anti-speech crusade doesn't stop there, however. Under the bill it supports, if private citizens band together to speak out independently in a campaign, participating candidates could receive additional public subsidies to finance a counterattack. For example, if B'nai Brith spent money to oppose David Duke in Louisiana, the former Klansman could qualify for unlimited tax dollars to respond, under Public Citizen's bill.

As the American Civil Liberties Union wrote in a recent letter to senators: "The legislation contains multiple constitutional flaws that violate numerous rights guaranteed by the First Amendment." If Congress were foolish enough to pass the bill, it would be pronounced D.O.A. at the Supreme Court.

The bottom line is that Public Citizen's "spending limit" proposal is an outright fraud. It would block private citizens from making limited, disclosed donations to candidates whom they support once the candidate's "limit" is reach.

The candidate's spending would be sharply limited, even though such spending is already fully disclosed.

Yet Public Citizen's proposal does absolutely nothing about special interest campaign activity, also known as "sewer money," which is currently unlimited, unregulated and undisclosed—and which will grow in power and influence if all other spending is tightly controlled.

The reason for this dichotomy is simple: Public Citizen is a kingpin in the black market of "sewer money" that flows beneath the radar of campaign finance regulators. Its affiliate, Citizen Action, is a nationwide network of covert campaign operations—none of which is reported to the public. While many suspect that Citizen Action is funded heavily by labor unions and plaintiffs' lawyers, this campaign spending is neither limited nor disclosed, nor would it be under Public Citizen's "spending limits" plan.

If Public Citizen can restrict the right of private citizens to support candidates through limited, disclosed contributions, then Public Citizens' power to influence elections through its unlimited, undisclosed spending will increase exponentially.

Obviously, real changes are needed in our campaign finance system. I support making such changes, but not at the expense of the taxpayers, or to the self-serving benefit of special interest groups like Public Citizen.

Mr. MCCONNELL. Madam President, I yield the floor.

AMENDMENT NO. 403 TO AMENDMENT NO. 366

(Purpose: To limit the total amount of the subsidy that an eligible Senate candidate may receive to $1,000,000)

Mr. NICKLES. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes an amendment numbered 403:

On page 23, between lines 19 and 20, insert the following:

"(f) LIMIT ON AMOUNT OF PUBLIC BENEFITS TO WHICH A CANDIDATE IS ENTITLED.—Notwithstanding any other provision of this Act, the total value of the benefits described in subsection (a) (1), (2), (3), and (4) to which an eligible Senate candidate is entitled shall not exceed $1,000,000."

Mr. NICKLES. Madam President, this amendment is relatively simple. It limits the total amount of subsidies to any one Senate candidate in an election cycle to $1 million. Some people have said the subsidies would not come up to near that amount, but I do not think that is the case. I think the facts are that Senate candidates can receive subsidies well in excess of $1 million.

I have a problem with that. This package that we have today is loaded with public subsidies for politicians. My friend from Kentucky has called it food stamps for politicians. I think he is being very generous. This is a much more generous position than food stamps. Food stamps maybe are equal to what, $300 a month. This package has millions of dollars of benefits for candidates, for politicians, millions of dollars. I might add, we have calculated that the subsidies are well in excess of $1 million for every State.

I have some charts, and I will insert those for the RECORD so our colleagues can see. I will just take an example such as Alabama. I take Alabama because it is first on the list. It is an average-size State with a population of about 3 million. That is about the size of my State of Oklahoma. I am just looking at estimates for the elections in 1996. I understand now that this is going to be applicable to 1994. I doubt that the House will concur with the amendment that was agreed upon, but I will use 1996 because that is what we thought the first eligible year would be.

In Alabama, an eligible candidate can receive voter communication vouchers that are worth $594,000 courtesy of the taxpayers. We have assumed an independent expenditure amount of $35,000. It could be a lot more than that. It could be less. Plus special mailing rates in Alabama of $98,654, for a total Government subsidy of just over $728,000.

I might tell my colleagues, we are very conservative because we assumed a zero excess expenditure amount because we do not know if they are going to have an opponent who is a participating candidate or not. If an eligible candidate has an opponent who is going to exceed the limits, Madam President, you can add up to another $1.3 million on top of this amount.

So the total Government subsidy, assuming you have two complying candidates, is $728,000. This is before we add in the amount estimated reduced broadcast rates. We are going to tell candidates for the Senate they get to buy time at one-half the rate of anybody else in the country.

I find that to be wrong, and I will have an amendment at a later time to strike the discount for politicians for broadcast time. We estimate in Alabama the broadcast discount amount would be about $925,000. It could be a lot more than that. It might be somewhat less than that. We took the average amount people spent for broadcasting and computed the value. Eligible candidates get the subsidy for the 60 days prior to the election.

So we calculate the total amount of subsidies which would go to a Senate candidate in the State of Alabama in 1996 at $1.6 million, $1,654,000, in private and public subsidies.

This amendment says the total subsidies could not exceed $1 million. The total amount of private and public subsidies that are now enumerated under the leadership package bill—it is on page 17 of Senator MITCHELL and Senator BOREN'S bill. It talks about all eligible Senate candidates shall be entitled to—so this is an entitlement program—broadcast media rates provided under this section, one-half the rate of anybody else; mailing rates provided under this section of one-third, one-fourth of most anybody in the country; payments from the Senate campaign funds in an amount to be determined in subsection (b).

That is an excess expenditure amount, which, again, if you have a nonparticipating opponent, they do not want to participate in this public financing scheme, if they do not and they spend, say, above the limitations, the taxpayers have to match the difference.

I hope people understand that. If you have a general election expenditure limit of $1.5 million and you have a nonparticipating candidate who spends $3 million, the participating candidate is going to get another $1.5 million courtesy of the taxpayers. Wow. That is a lot of money.

Then we also have voter communication vouchers, amounts to be determined, and it is set up by a complicated formula; but in Alabama's case you are going to receive, courtesy of the taxpayers, $594,000 in communication vouchers, courtesy of the taxpayers. This is a massive subsidy program. Some people say it is necessary to make us comply with Buckley versus Valeo. I do not think so.

Certainly, if we need some incentive to get people to participate, we do not have to have unlimited incentives. We should have some limits.

I do not favor any public subsidies, so do not mistake my position. I am going to energetically support an amendment offered by Senator MCCONNELL and Senator SHELBY to strike all the public subsidies in this bill. I hope that amendment will pass.

I think we also need an educational process, and that is one of the reasons why I offer this amendment. This amendment should pass. We should say we are going to limit the total amount of subsidies per election cycle to $1 million. If you go out and ask your constituents, "Do you think we should have taxpayer and public subsidies for Senate candidates of $1 million or more," I think they would be shocked if they found out the subsidies under this bill are in excess of $1 million.

I note my friend and colleague presiding is from the State of Illinois—the State of Illinois in 1996 has a total amount of public and private subsidies of over $3.5 million. And again, that is assuming you have both candidates participating. If you have one candidate who is not participating, you could add another $2.8 million on top of that.

Wow. That is getting lucrative. You have $3.5 million. You can add on almost another, well, $2.8 million. Wow. You are up to $6.3 million in public subsidies.

If a candidate is running in the State of Illinois and they are a participating candidate, but their opponent is not a participating candidate and the opponent exceeds the general election amount, wow, you could receive over $5 million in public subsidies. And it is even higher in California and New York, in Texas, and some other States. I used the example of Alabama because it happens to be first. it is an average-sized State. We are looking at subsidies in the State of Alabama of $1.6 million, very similar to my State of Oklahoma. In my State of Oklahoma, the amount of subsidies, public and private, are right at $1.5 million in 1996. That is a lot of money.

If the candidate is running in 1996 in my State and his or her opponent is not a participating candidate, then you could add another $1.2 million on top of that. So you are talking about $2.7 million in public subsidies for a U.S. Senate candidate in my State of Oklahoma. That is a lot of public subsidies when you consider the whole cost of running in my State is about $3 million. I think I spent about $3 million plus or minus my last two elections, both in 1986 and in 1992.

I notice if I do not participate next time, if I run in 1996, and went ahead and spent $3 million like I did last time with no public funding, my opponent would receive $1.5 million plus the excess amount of $1.2 million. So you are talking about $2.7 million of public subsidies for a Senate candidate in the State of Oklahoma, which is 90 percent of the entire race, all courtesy of Uncle Sam and a law that is going to mandate that broadcasters give U.S. Senate candidates one-half the rate of anybody else.

(Mr. FEINGOLD assumed the Chair.)

Mr. NICKLES. I notice that the CBO did not estimate the broadcast subsidy. They said that does not cost the taxpayers anything, so why should we estimate it? I think we should estimate it. Why should we tell broadcasters that they have to offer one-half the rate of somebody else? Why should we get one-half the rate of the United Way or the Boy Scouts? I do not think it makes any sense. Certainly we should calculate it.

So, Mr. President, my amendment is very simple. It is very direct. Under the entitlements provision, in the leadership substitute bill, on page 17, where it states the entitlements for politicians:

BENEFITS ELIGIBLE CANDIDATE ENTITLED TO RECEIVE

(a) IN GENERAL.—An eligible Senate candidate shall be entitled to—

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

(2) the mailing rates provided in section 3626(e) of title 39, United States Code;

(3) payments [from the Senate election campaign fund] in the amounts determined under subsection (b).

That is, if they have excess expenditure amounts, we are saying Uncle Sam is going to match. Whenever you exceed that general election limit, we will have Uncle Sam come in and match it.

(4) voter communication vouchers in the amount determined under subsection (c).

We are saying the total of all of the above shall not exceed $1 million. We have limitations in the farm program. We tell farmers that are in the State of Wisconsin they cannot receive total subsidies over $50,000. We put a limitation on the subsidies to farmers. I think we should. Likewise, we ought to have limitations on the subsidies to politicians. Maybe it should not be as high as $1 million. I think it should be zero, frankly. I will support an amendment to make it zero.

First, we need to let people know how high it is. We have State after State where you have candidates that would be eligible to receive over $1 million in subsidies. As a matter of fact, in looking at the list of States that have races in 1996, I cannot find a State that has less than $1 million in subsidies.

I see my friend and colleague from Maine is here. Maine is not a particularly large State. Still a candidate U.S. Senate would be able to receive $1.4 million in public and private subsidies. The smallest amount of subsidy that I can find is about $1.4 million. That is in Wyoming.

Mr. President, this amendment is very simple. It is very direct. It says the total amount of public and private subsidies per election cycle for any Senate candidate shall not exceed $1 million. I think it is a good amendment. I hope it is an amendment that our colleagues will concur with.

Mr. MCCONNELL. Mr. President, I want to commend the Senator from Oklahoma for his outstanding amendment. The principle is completely sound, I say to my friend, in trying to hold down the subsidy, keep the cost of this program down. We all expect that it will be an entitlement program that will grow incredibly out of proportion as independent candidates realize there is a potential for them to receive tax dollars to run for office. We expect this program to develop like the Presidential system has under which Lenora Fulani received $3.5 million to run for President, which is a household name we are all familiar with, and Lyndon LaRouche. I do not know whether he is in jail at the moment, but he has received at least $1 billion to run for office. And, of course, the courts will not allow the Congress to craft any kind of public subsidy that is not reasonably available to independent candidates.

So I think the Senator is absolutely correct in trying to bring some sanity to a program that seems to be clear on its face, but at least it superimposes over this insanity some cap on the exposure of the taxpayers, which will be enormous. I believe it was the Republican Policy Committee that estimated a cost of at least $1 billion over the next three cycles.

I commend the Republican Policy Committee. I think it is a conservative estimate. This is a very enterprising country in which we live. Once people figure out there is a possibility to acquire public funds, they will figure out a way to do it in ingenious fashion.

So I think the amendment of Senator NICKLES is right on the mark. At least we ought to try to protect the taxpayers to the maximum extent possible. I want to commend him for his amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CAMBODIAN ELECTIONS

Mr. HELMS. Mr. President, in 1985, almost 8 years ago, under the leadership of the distinguished Senator from Alaska [Mr. MURKOWSKI] Congress first approved a small program of nonlethal aid to the non-Communist resistance in Cambodia.

The purpose of this program, obviously, was to give hope and encouragement to the long-suffering people of Cambodia so that they could more effectively resist the two Communist armies in Cambodia, one of them backed by Communist China and the other backed by Communist Vietnam.

The Cambodian people responded with enormous gratitude for our support. Then, about 10 days ago, an election was held in Cambodia, and the results of that election will not be final for a few days yet. However, it appears clear that the Cambodian people have rejected both the Khmer Rouge, who boycotted the election, by the way, and the Vietnamese-installed government in Phnom Penh. A non-Communist coalition in the Cambodian national assembly is a real possibility now.

But, Mr. President, the losers are now contesting the election. They are demanding a share of the power which was not given them in the election by the Cambodian people.

I emphasize that it is important, it seems to me, to understand the courage of the Cambodian people in participating in this election. Merely to get to the polling places the voters had to travel through some of the most landmined roads in the world. And they did this in the face of armed attacks by Communist military forces in a number of cases—not to mention a barrage of threats and intimidation.

So, Mr. President, I think it is time for Communist China to say to its Cambodian surrogate—the Khmer Rouge—that the will of the Cambodian people as expressed in that election must be respected. And likewise, the Vietnamese must inform their friends in Phnom Penh that the results of the democratic elections must be respected and upheld. Otherwise, chaos is going to result.

The American people have a great and enormous reservoir of good will for the people of Cambodia who have so long and so painfully suffered at the hands of Communist tyrants spanning at least two decades.

Our Government, Mr. President, in my judgment must in the name of decency and honor monitor this situation carefully and make the position of the United States unmistakably clear every step of the way. To do less will be a default of responsibility by our Government.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ILLEGAL IMMIGRATION

Mr. SIMPSON. Mr. President, I want to speak briefly on one aspect of the growing illegal immigration problem in this country.

I have been involved in it a long time with regard to illegal immigration issues and legal immigration issues. I have had a wonderful support system of Democrats and Republicans in this body who have assisted me in my efforts and I am deeply appreciative. It is not a partisan issue.

In recent weeks, we have seen media accounts of boatloads of illegal Chinese aliens headed for the United States. One ship was found floundering in the middle of the Pacific off the Marshall Islands; one came ashore in Mexico; another arrived at a Honduran port; yet another docked at a public wharf in San Francisco, U.S.A., let a group of people off, and headed for the high seas. And now the latest ship has run aground in New York over the weekend. None of those rescued in the mid-Pacific was found to have a legitimate claim for asylum, and the U.N. High Commissioner for Refugees was involved in that process.

Please hear that. We are being gimmicked to death by the issue of

asylum. And it is a very simple procedure. You just get here and then ask for asylum in any language, or almost in any utterance, and then you receive more due process than an American citizen can receive.

Remember those people who were picked up in the mid-Pacific saying they were asylees. The U.N. High Commissioner for Refugees was involved in that and none of them—none of them—were found to have legitimate claim, and few of them do.

Those who came ashore in Mexico were apprehended by the Mexican authorities, but they ran for the United States border from the Mexican airport where they were to be flown home. Some were caught by the Mexicans, and others were apprehended by the U.S. Border Patrol. Those who arrived in Honduras were being held until they could be returned to China when they broke away from their detention, and several were killed by the Honduras authorities before the others were recaptured.

Those who arrived at the dock under the shadow of the Golden Gate Bridge scattered out into the streets where most were apprehended by police or immigration officers. As we now know, several of those on the ship which ran aground in the New York harbor area drowned in the surf, or died of exposure, and the others have been placed in detention.

The Immigration Service's anti-smuggling unit tells us that more ships, filled with their human cargo suffering shipboard conditions reminiscent of the slave ships of the 18th century, are on their way, and continually so. Typically, the smuggling fee to make the trip from China to the United States costs about $30,000. A few thousand up front, and the balance to be worked off after they arrive in the service of their sponsors.

These voyages of the indentured are put together by Asian organized crime groups. The crime lords have discovered that there are millions to be made in smuggling humans, and the danger and penalties are much less than those for smuggling drugs.

Mr. President, these organized crime smugglers have discovered the same loophole in our immigration laws that was discovered several years ago by smugglers using our airports and ports of entry. The loophole is our generous asylum system. The aliens, and the people who smuggle them, have discovered that the magic words, "political asylum," will get you a work authorization card, and an opportunity to live and work in the United States for more than a year, in most cases. If the alien chooses to simply disappear into the community, we may never hear of him or her again.

The illegal aliens have an additional advantage if they are from China. This is a true irony. I hope the people will pay close attention to this. The previous administration, and the current administration, give special enhanced consideration to Chinese asylum applicants who express a fear of persecution related to China's family planning policy. Thus, all the Chinese illegal alien need say is, birth control or family planning, and he or she will receive special consideration on their asylum claim. I say he or she, because most of the Chinese illegal aliens who successfully use this ploy are males, sometimes unmarried.

What an extraordinary misuse of the compassion of a generous nation. It is hard to justify such a misinterpretation or distortion of something with regard to China's birth policies to have a single male using it as he is dropping from a ship off of our country's shores.

These shiploads of illegal aliens, most from China's Fujian Province, will continue until we take away the smuggler's profits—until we address the loopholes in our asylum system. We must increase the penalties for alien smuggling, and we should give our immigration officials the same authority to seize the assets of alien smugglers as our drug enforcement authorities can use against drug suppliers.

I am ready to do that. Many on both sides of the aisle are ready to do that.

We must also increase our detention space so that the aliens who sign on for these trips will know that detention awaits them, rather than an automatic work authorization card and release into the community. And when human smuggling results in loss of life, as we saw this week in New York harbor, I believe we should consider capital punishment for those who traffic in human endeavors of that nature.

Mr. President, I mentioned earlier that this is only one aspect of our illegal immigration problem. There are many other issues we must deal with if we are to control the illegal immigration that is threatening our traditionally generous—very generous—immigration and refugee policy. We must improve the identification documents used to establish work authority.

Hopefully, we will not have to go through part of that exercise of debates where we then begin to talk about Nazi Germany and a national I.D. and tattoos. I have heard all that stuff before. We are talking about a more secure work authorization. It might be a revised Social Security card. It may be several other things. But it is not a national I.D. It is not used for law enforcement. It is not carried on the person.

It is something that is presented only at the time of new hire employment, and it is presented by everybody. It is presented not just by people who look foreign, but by bald Anglos like me, too.

We must find the necessary resources for the Immigration and Naturalization Service, so that they can hire an adequate number of investigators and Border Patrol agents to do the job we demand of them. We have never provided these resources.

But I was rather heartened to see both Attorney General Reno and Associate Attorney General Hubbell pledge to us, through the Judiciary Committee, that they would, finally—and other administrations have not, I can assure you—finally provide the resources and attention the INS needs to do its job.

And Attorney General Reno indeed intends to exercise full authority and oversight and support of the INS. She has assured me of that. I believe her.

We also have the serious problem at our airports, where aliens arrive without documents. And, remember, you cannot get onto the plane unless you have a document. But, during the course of the trip, they destroy them or even eat them—that is a proven fact—and then they get here and they claim asylum.

Then they get and they claim asylum. They know exactly how to do it. They have an interview. Some of them cannot even identify the leaders of the country from which they say they are fleeing, or why they are fleeing the country that they have left. Some have been through four different countries to get here. And, if you can understand the terrible mockery made of the beautiful, expansive, overture of asylum—which means that when you are being persecuted or have a well-founded fear of persecution in your country based on race, religion, national origin, or membership in a political or social organization, the minute you hit the free country you are home free. And yet they get into another country, and another country, and another country, and just keep coming. That is a total misuse of asylum.

So I have introduced legislation to address that abuse. But the administration has yet to provide us with their views on the legislation. The administration, I think, has been remiss in its response to our immigration problems. I say that without a shred of partisanship. I said it before under the previous administration. And I believe the other members of the immigration subcommittee, Senator TED KENNEDY and Senator PAUL SIMON, and myself, are ready to swiftly move legislation if the administration would provide us with their recommendation.

No one knows better than the INS and the Justice Department what tools are needed to address these serious problems—we had an excellent hearing recently; I urge my colleagues and their staff to review it—problems which I believe could create, unless they are addressed, a most serious threat to our national security if left unchecked.

I call upon the administration to swiftly furnish us with their legislative

recommendations. This widespread flouting of our laws, which we have seen in recent months and weeks at our airports and shores, affects us all. It adds to a growing concern at an apparent criminalization of America. And that is our fault—right here in this Chamber and in this Congress.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued consideration of the bill.

Mr. BOREN. Mr. President, I wish to speak just very briefly, and I know my colleagues are anxious to vote, including the author of the amendment, on the pending Nickles amendment. I will just say a brief word about it.

I am, of course, opposed to this amendment and will move to table this amendment momentarily just as soon as we are assured that my colleague from Oklahoma does not have additional remarks he wishes to make. He has already made his case in favor of the amendment.

Here is my argument. In my point of view, the heart and soul of campaign finance reform is setting limits on runaway spending, too much money coming into the process. The American people see that. Too much money coming from special interest groups.

We have tried to craft a system in this bill consistent with the Supreme Court decision which says that you cannot pass a bill that directly says you limit the amount of money spent on campaigns.

We all feel that is what should be done, as I say, because too much money is pouring in and we have a money chase in American politics. The American people see all of this money washing into campaigns, much of it from special interest groups. And the American people quite rightly say it is who can raise the most money, not who has the best arguments, not who is the most qualified for office, that is deciding elections.

Part of that system which we have which allows us to have some inducements—you have to have inducements under the Supreme Court decision to have spending limits—is the voucher system. There is also another aspect of it. We do not want to allow those who go over the spending limits to just go over millions of dollars with no consequence. So there is another feature of this bill that says if the opposing candidate does not accept spending limits and goes massively over those spending limits that you are entitled to some matching funds to try to catch up if you are a candidate that has accepted spending limits. In addition where you have independent expenditures by millionaires who are pouring in their own money, you have to have some kind of standby mechanism to discourage that practice.

So let me say that the Nickles amendment by not only valuing the vouchers that are supposedly at least arguably coming paid for—in our case we proposed paying for them by ending the lobbying deduction from the Tax Code so that taxes on lobbyists in essence pay for it—not only are those vouchers valued under this amendment but also the lower unit rate of television time which is not a matter of public expense. That is one flaw in the amendment.

But the other is that is would wipe out any ability to deal with the problem of the millionaire candidate who comes in spending massive amounts, or that candidate that goes way over the spending limit, or independent expenditures that are poured in at the last-minute in the campaigns.

So however you feel about public financing of campaigns, those that are for it, those that are against it in terms of some automatic public funding mechanism, I think it is very important for our colleagues to understand that they should not be opposed to this amendment because this amendment will prevent any kind of standby mechanism to deal with millionaires, to deal with those that are going massively over the spending limit or deal with independent expenditures.

So I urge my colleagues, whatever their philosophical point of view might be on whether or not there should be some up front automatic vouchers in any form of public financing, that this amendment goes far overboard and it would prevent any kind of standby mechanism for dealing with the kinds of problems that I have indicated.

Mr. President, I will momentarily move to table the Nickles amendment and ask for the yeas and nays. I want to allow my colleagues on the other side of the aisle a chance to make any final comments they want to make.

Mr. MCCONNELL. Mr. President, it is my understanding that Senator NICKLES would like just a few moments prior to the vote. I believe he is on the way.

So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. COATS. Mr. President, I ask unanimous consent that I might proceed as if in morning business.

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

HOMOSEXUALS IN THE MILITARY

Mr. COATS. Mr. President, when President Clinton announced his intentions to lift the ban on homosexuals in the military, the response from Senator NUNN helped to focus the attention of the Senate and the Nation. He came to this floor with a series of thoughtful, pointed questions on how such a policy might undermine our Armed Forces. Those questions helped guide the progress of the extensive hearings held by the Senate Armed Services Committee and helped set a standard for judgment in terms of this issue.

In the last few months of investigation, we have clarified many of those questions asked by Senator NUNN and discovered answers that the President would prefer not to hear.

We approach the matter with the kind of caution justified by the high stakes of our eventual choice.

In recent weeks the Senate has been discussing a proposed compromise called: "Don't ask don't tell." That proposal appears to be gaining momentum as a political solution to the issue. But I am increasingly concerned that this momentum comes without adequate reflection on a number of unanswered questions.

The President's proposal required careful study, and we gave it careful study. And this proposed compromise I suggest also requires careful study, and I urge my colleagues to seriously consider it before concluding that it is the solution to the answer to the problem that we are facing.

Mr. President, let me outline some of the more important questions that I think still need to be addressed.

Let us look at this policy of "don't ask—don't tell" and look first at the question of "don't ask." What does "don't ask" mean? I think the answer is by no means obvious. Does don't ask apply just to recruiters, or the process which a new recruit goes through before he enters the military? If we drop the questions at recruitment, do we still not have a legal and moral responsibility to thoroughly inform a recruit of behavior, or even a declaration of status that can get that recruit discharged? It seems to me that a vague or unstated standard would not be fair to heterosexuals or homosexuals.

A second question is: Who else is forbidden from asking the question, other than recruiters? How about a military doctor? For example, everybody who gives blood today in the military is asked if they have had homosexual re-

lations. That is done so to protect the blood supply. Obviously, the military, like all of society, is concerned about the transmission of AIDS, and blood is the primary carrier for that transmission. So it is rational to ask the question before anyone gives or donates blood to be used for transfusion into another human being.

Well, will a military doctor be permitted to ask this question to protect the blood supply under the "don't ask" policy? What about when this question needs to be asked for diagnoses or treatment of an illness? What about when the doctor needs to ask this question for epidemiological information? If doctors can ask the question, if we make an exception in the case of medical treatment, what will they do if the answer is, "Yes, I have had homosexual relations with another male"?

Physicians in the military not only have a doctor-patient relationship, they also serve in the command. So does a doctor who discovers that a patient is a homosexual report that to his commander? Is the doctor obligated to do so?

Who else is forbidden from asking? How about security clearance investigators? Will a "don't ask" policy mean security investigators will be required to ignore information about homosexual practices that might violate law and regulations? Would this new policy create a special protected status for homosexuals which is not given to other violators of the Uniform Code of Military Justice?

Who else is forbidden from asking? How about commanders concerned about the morale and effectiveness of their units? Does "don't ask" mean a homosexual can only be investigated after the military proves that his presence has disrupted the cohesion or caused a unit to fail in its mission? Will a commander have the ability to act before the readiness of a unit is compromised? And if a commander must show a specific unit disruption, what type of evidence is required?

How bad does a unit have to fail? How far does readiness have to fall before the individual causing the problem is discharged or eligible for discharge proceedings? Can such a policy of proving unit disruption be applied on a consistent basis? How do we give guidance to commanders on what to look for in order to carry out that policy?

If we prevent a commander from investigating homosexual activities based on credible reasons, are we effectively removing his ability to deal with discipline and cohesion problems before they begin to seriously undermine unit effectiveness? How is a commander to view or deal with a serviceman who attends a gay church or a gay bar, marches in a gay parade, or reads gay material on base? Can a commander ask questions based on these reasons, if he concludes that knowledge of these activities is such to undermine effectiveness of his unit?

Will a commander who turns a blind eye to obvious evidence of homosexuality in the military be giving tacit approval to homosexuality and thus invite legal challenges? What if another soldier on base reports that he witnessed homosexual conduct? Can a commander pursue an investigation based on this alone? What if a homosexual soldier tells his roommate he is a homosexual and the roommate asks for another room? Is this information that the commander can act upon, or must he wait for further cohesion problems to develop?

What are the legal rights of the heterosexual who is forced to live with a homosexual because the commander has ordered him to do so? Or what are the legal ramifications if the commander removes the homosexual individual from the heterosexual's room and either gives that individual a separate room, to the discrimination of all others in the unit, or assigns that person to another individual? What are the legal ramifications of all of that? What is the potential breakdown of unit morale and cohesion?

Now the "don't tell" portion of "don't ask—don't tell." "Don't tell" also presents difficulties. For instance, what exactly are service members forbidden to tell? Are they not supposed to reveal their sexual orientation, or are they supposed to hide sexual conduct, which might be a criminal offense under the Uniform Code of Military Justice? Will the Department of Defense be forced to change its definition of homosexuality and effectively create two classes of homosexuals—those who are homosexual by virtue of their conduct, or those who are homosexuals only in their minds and thoughts?

With a new definition of "telling," will the Department of Defense be caught up in litigation for the next 20 years? I think this is a very valid question, because if you are operating under a policy which essentially says that homosexuality and military service is incompatible, does a modified policy under a "don't ask—don't tell" proposal create a whole series of questions that only the courts will resolve, and what will this do relative to military effectiveness in the future?

With a new definition of "telling," then the question is: What kind of litigation will follow, and what will the impact and effects of that litigation be? These are questions, Mr. President, not all conclusive. There are many, many more that need to be asked. These questions still search for answers, and I fear that the policy of "don't ask—don't tell" may not just be unclear, but inconsistent. Commanders in the field must live in a real world of practical actions and choices. That world must be our first priority, not the world of politics and its demands.

The pursuit of compromise is a noble legislative art. But on certain matters that process utterly fails. It fails because some problems are so durable and so insistent, they will not disappear with a hand shake or a rhetorical flourish. Some questions cannot be finessed; they must be decided.

I have not come to a final conclusion or opinion on "don't ask—don't tell" as a policy. I think the questions I have asked are valid. I hope we can find adequate answers to those questions. But I have come to one conclusion: A political compromise is not adequate to this military problem. Our policy on homosexuals in the military must be immune from every consideration save the safety and effectiveness of our soldiers.

On "don't ask—don't tell," the intentions are good, but the outcome is uncertain. The stakes are high and the questions are disturbing. While those questions remain, I think we should withhold judgment in terms of which policy we ultimately decide and believe is the best policy for our military in deciding this question.

I yield the floor.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. NICKLES. Mr. President, I alert my colleagues that in a few moments we are going to be voting on an amendment I have offered which would limit the total amount of subsidies or entitlements to candidates participating or running for U.S. Senate. The limit is $1 million per candidate.

Some people think that is too high. I think it is too high. But I will tell you, if we do not have this limit and if this bill that is now pending becomes law, we are going to find that candidates for the U.S. Senate will be receiving millions of dollars of public and private subsidies per election cycle.

We do not have a race in North Dakota in 1996. But, for example, in 1998 in North Dakota, the eligible candidate would receive $1.5 million of private and public subsidies, public subsidies because we are talking mail rates, mail discounts; we are talking about vouchers, communication vouchers that are in the several hundreds of thousands of dollars.

Again, I will use North Dakota because of the Presiding Officer. In North Dakota, in 1998, an eligible candidate will be able to receive $574,000 of communications vouchers and be able to receive special mailing rates of $15,000. That is probably one of the lowest amounts in that category. We assume no amount for excess expenditures. But if you have an opponent who spends several million dollars, you will receive $1.2 million for excess expenditure amount. So it is that amount, as well.

The total amount of Federal subsidies in that case would be $1.8 million. And then add private subsidies, and that is the fact you can buy communication or get your broadcast one-half the rate of someone else for the last 60 days. That probably equals $498,000. We are talking about $1.5 million, if you have no excess expenditures amount that matched. Add the $1.2 million on that, and you will be up to $2.7 million in public and private subsidies just running for office in North Dakota.

My point is, the bill as written is wide open for flagrant abuse of taxpayers. It can cost millions of dollars in every single State. For every major candidate, the subsidy can well exceed $1 million in some States. In the large States, it can be several million dollars. For example, in California in 1998, the total private and Government subsidies could equal over $7 million, and that is including no excess expenditure amount, and we are bound to have that. So you can see that amount is well over $10 million.

You could find, in a State like Florida—again, assuming no excess expenditure amount where the taxpayers will duplicate the funds that are over and above what the general election limit is—an amount of over $4 million of public subsidies.

So the purpose of this amendment is just to make sure that no candidate for the U.S. Senate under this bill will receive public and private subsidies in excess of $1 million. We limit farmers to $50,000. We have limits on student loans. We have a lot of limits on entitlements. If my colleagues are not aware of it, this bill is an entitlement for politicians. I hope they will be aware of that. I hope they are aware of it, because this bill provides for several entitlements.

It says, on page 16: "An eligible Senate candidate shall be entitled to * * *" and on page 17, it lists four new entitlements that a Senate candidate can receive.

All this amendment that we have right now says is that the total amount of entitlements cannot exceed $1 million per candidate for the election cycle.

I hope my colleagues will concur.

Mr. BOREN. Mr. President, I ask unanimous consent that the Senator from Montana be allowed to proceed as if in morning business for 3 minutes.

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

The Senator from Montana [Mr. BURNS] is recognized for 3 minutes.

Mr. BURNS. That is fine.

I thank my friend from Oklahoma. I will just take a few minutes here before we have the vote on this particular amendment.

COMMENTS ON THE CLINTON TAX AND SPEND

Mr. BURNS. Mr. President, you know sunshine is a wonderful thing and, of course, we are getting a lot of it here in Washington, DC, now; maybe a little more than some folks would like because of the humidity. It does not make it too comfortable. But sunshine also works very well when it comes to legislation.

I went home, as all of us did, during the Memorial Day recess, and talked with some of our people at home. We found out that once people understand this legislation and what is in that piece of legislation, they find out right away they are not very supportive of it. And that is the way it was when we started talking about this tax bill now that is going to come before Congress.

Mr. President, I have never seen a time, since I have been involved in politics—which has not been a long time; it has only been since 1986—when the American people are so concerned about spending and so energized to do something about it.

If there was any indication of the kind of mood we are in nationally, it had to show up this week in my home State of Montana. We do not have a sales tax in Montana, and in order for some tax reform, my Governor wanted to shift some of the tax burden from personal property over to a sales tax. That sales tax went down 4 to 1.

All we have to do is look at the Senate race in Texas, which was based solely on tax-and-spend policies.

So what we are seeing here now in this country—I used to call it a mild tax rebellion, but now it is for real. And when we start talking about different taxes for different segments of our economy, as proposed in the package that was passed by the House of Representatives, we have bad news to report and the people of America really understand it.

I just want a minute here to put everything in perspective so the American people know what we are dealing with here. Unlike the $3 in spending cuts that were originally promised last fall, this bill that passed the House contained 6.7 cents in spending cuts for every dollar in new taxes raised. For every dollar in spending cuts, the plan has $15 in revenue increases. In other words, we are going to tax more so we can spend more.

The total bill is 89.5 percent taxes. I do not think I can reconcile that. I do not think the American people can, either. Now we hear that the administration is willing to make changes to the Btu tax. Perhaps it will be scaled back or replaced with a transportation tax. It is not certain at this point what the deal of the day will be.

If the compromise includes a tax on fuels used for transportation, consumers and industry will still be hard hit. Whether they call it a Btu tax or a transportation tax, it is still a tax increase. And it still packs a pretty hard punch to people in rural States like Montana. We have to fill up the gas tank a lot more often to get the job done. The folks in Harlowton cannot hop on the bus to go to their doctor appointment—most towns in Montana do not have public transportation. Consumers will still see prices increase because the cost of getting products to market will be higher.

We are spending a lot of time and effort trying to find new and creative ways to make Americans pay more taxes. I think we should scuttle the entire tax increase instead. Let us make up the difference with real spending reductions. It is what should have happened from the start.

The House-passed tax and spend bill still has spending increases and tax hikes that are classified as tax cuts; 93 percent of the cuts are not going to take place for another 3 or 4 years.

The 3 or 4 years from now is an abstraction out here in Washington. The economic estimates being used in the tax-and-spend bill assume that higher taxes will not have any negative effects on the economy in the coming years.

But economic policy does not occur in a vacuum. Higher taxes will result in less expansion in the private sector. Less expansion means fewer jobs. Fewer jobs means reduced tax revenue. So the deficit may not decrease at all after these new taxes go into effect. If history repeats itself, spending will increase $1.56 for every $1 of additional taxes that are raised.

This is not what the American people are asking us to do. I think their message is clear: As their representatives, we need to cut spending first.

As the saying goes: If you find yourself in a hole, stop digging. I encourage my colleagues to heed this advice and to vote against the Clinton tax-and-spend bill.

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

Mr. BURNS. I thank the floor managers for this 3 minutes.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida [Mr. MACK].

Mr. MACK. Mr. President, I ask unanimous consent to address the Senate as if in morning business for a period not to exceed 4 minutes.

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

The Senator is recognized for 4 minutes.

Mr. MACK. Thank you, Mr. President.

CUT SPENDING FIRST

Mr. MACK. Mr. President, the American people are desperately trying to send Washington a message, and nei-

ther the President nor the Congress are listening.

The Democrats are falling all over themselves trying to figure out who to tax to help pay for the President's big spending plans. Do we tax Btu's, gas consumption, Social Security benefits, income, and anything else that is unfortunate enough to move?

The people in my State of Florida and all over the country are saying: "Stop. Wake up and listen. Cut spending first."

A shocking new survey says that 8 out of 10 Americans believe it will be harder for the next generation to achieve the American dream. That is frightening. The No. 1 reason is higher taxes. We are here to advance the American dream, not put it out of reach.

By a 3-to-1 margin, Americans believe the Clinton tax and spend plan will make it harder to achieve their dreams.

President Clinton is taking our country in the wrong direction. As countries around the world embrace the American model so that their people can achieve their version of the American dream, we are doing the opposite. Here is what the head of Sweden's New Democracy Party recently said:

> (The Swedes) are moving away from the welfare state. On your side, you are moving into it, and you risk destroying your country.

And I will add to that: destroying the American dream. Let us stop, listen, and cut spending first.

A just completed survey of blue chip economists tells us that professional analysts are worried about the effects of higher taxes on the economy. Specifically, by a 2-to-1 margin, expert economists have lowered their forecasts of economic growth. The No. 1 reason is higher taxes.

The American people want us to cut spending first. Economists are telling us to cut spending and warning us about the dangers of higher taxes. Everybody seems to get it and agree—everybody that is but the President and his Democratic loyalists on the Hill.

Mr. President, let us give the American people back their Government, let us give them back their money, and most importantly, let us give them back their dream.

Mr. President, we need to stop, listen, and cut spending first.

I yield the floor.

The PRESIDING OFFICER. The 4 minutes of the Senator from Florida have expired.

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma [Mr. BOREN].

Mr. BOREN. Mr. President, I move to table the pending Nickles amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma [Mr. BOREN] to table the amendment of the Senator from Oklahoma [Mr. NICKLES].

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Nebraska [Mr. KERREY], and the Senator from Ohio [Mr. METZENBAUM] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Oregon [Mr. HATFIELD], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Virginia [Mr. WARNER] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 51, nays 42, as follows:

[Rollcall Vote No. 145 Leg.]

YEAS—51

Akaka	Feinstein	Mikulski
Baucus	Ford	Mitchell
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boren	Harkin	Murray
Boxer	Heflin	Nunn
Breaux	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Jeffords	Reid
Byrd	Johnston	Riegle
Campbell	Kennedy	Robb
Conrad	Kerry	Rockefeller
Daschle	Krueger	Sarbanes
DeConcini	Lautenberg	Sasser
Dodd	Leahy	Simon
Exon	Levin	Wellstone
Feingold	Mathews	Wofford

NAYS—42

Bennett	Durenberger	Mack
Bond	Faircloth	McCain
Brown	Gorton	McConnell
Burns	Gramm	Nickles
Chafee	Grassley	Packwood
Coats	Gregg	Pressler
Cochran	Hatch	Roth
Cohen	Helms	Shelby
Coverdell	Kassebaum	Simpson
Craig	Kempthorne	Smith
D'Amato	Kohl	Specter
Danforth	Lieberman	Stevens
Dole	Lott	Thurmond
Dorgan	Lugar	Wallop

NOT VOTING—7

Bradley	Kerrey	Warner
Domenici	Metzenbaum	
Hatfield	Murkowski	

So the motion to lay on the table the amendment (No. 403) was agreed to.

Mr. BOREN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MCCONNELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

AMENDMENT NO. 444

(Purpose: To reduce the individual contribution limit to $500 per election)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 444.

At the appropriate place insert the following:

SEC. . REDUCTION OF CONTRIBUTION LIMIT.

Section 315(a)(1)(A) of FECA (2 U.S.C. 441a(a)(1)(A)) is amended by striking "$1,000" and inserting "$500".

Mr. WELLSTONE. Mr. President, we have been debating this campaign finance reform bill for some time now, and one of the amendments that was adopted on the floor of the Senate was an amendment to ban PAC contributions; to require that Senators could no longer accept PAC money.

I argued that while I was in favor of this amendment, my fear was that we would just allow the big money to be shifted to the big individual donors, and that Senators would still have to raise large amounts of money. And let me be clear. It is not a question of pointing the finger and saying colleagues are dishonest. I do not believe that for a moment. I just think this is a terrible system that we operate within, and that what would happen without my amendment is that the money would shift from political action committees to more large individual contributions. That is really what would happen, Mr. President.

I remember that Senator COHEN from Maine made a very eloquent appeal on the floor of the Senate in which he essentially asked, what really is the moral distinction we are trying to make here when we prohibit a firm, through its PAC, from contributing $5,000 but we allow a group of lawyers from a big law firm to each contribute a thousand dollars per election? There is none, of course, the big money interests are represented in either transaction.

So, Mr. President, what I am doing with this amendment is to reduce by half the amount of large individual contributions that can be made from $1,000 per election to $500 per election. Let me just simply say, I do this as a reform, as an amendment which I consider to be an important reform. I hope that this will command widespread support of other Senators because I have heard many people on the floor talk about the need to move away from the interested private money, espe-

cially the large contributions, and to get away from the big money in politics and begin to move toward a different kind of system, a kind of system where people can really have some faith in the process and where they do not feel like they are cut out of the loop.

Mr. President, my marker on the floor of the Senate initially, although there are a number of amendments I have offered, one of the amendments I was proudest of, though it certainly was not one that prevailed, was to actually get the individual contributions limit down to $100. That was the principle. The premise that I operated under in offering that amendment is that I think that is what regular people can actually afford to contribute. I think that is very reasonable.

Now what I am doing is coming back and saying to Senators who said to me, "PAUL, that is way too little money; that doesn't make any sense," all right, fine, then let us act to at least bring the contributions down to $500—half of the current limit. What I am trying to do with this amendment is two things: One, to point out that, as a matter of fact, Senators raise most of their money not from political action committees but from individual contributions. I think about 65 percent of the money that Senators raised in 1992 came from individual contributions and that PAC money raised was a little over 20 percent. I will just compare that with individual contributions which is just a little bit under 60 percent, most of that money, by the way, being in the larger contributions between $500 and $1,000 at a crack.

So, I think it would be a little bit disingenuous of us to say we are going to eliminate the PAC money, which is not the main way in which we raise money, it is not the main source of funds for Senators, but, on the other hand, not address the problem of large contributions from individuals, which is the main way that we raise money in the Senate.

Let me just simply say, Mr. President, that if Senators are to come out here on the floor of the Senate and make what I think is a compelling argument, and it does not matter whether it is labor, or environment, or business, you name it, that PAC money is often given to certainly gain access to decisionmaking, then it strikes me the same surely is true for large individual contributors. When an individual can give $1,000 during the primary and another $1,000 during the general election, that individual having much more by way of economic resources than most citizens, is also giving that money in order to be able to gain access. That is why people make these kind of contributions.

Even this limit is above what an average citizen even thinks about giving. I think we ought to at least cut the individual contribution in half, to bring the limit closer to what ordinary people can contribute. This amendment drops the limit from $1,000 per election to $500 per election.

Let me also say to you, Mr. President, that there is a little bit of a truth-in-packaging, or truth-in-advertising, concern about this amendment because most people around the country, when they hear us talk about a limit of $1,000 per individual, think that is all that an individual can give in total. They do not realize that we are talking about $1,000 primary and then another $1,000 general election. They do not realize that this $1,000 limit per election is really $2,000 per cycle.

So, once again, I think this amendment is a very important reform. I think it is consistent with a lot of the speeches that have been made on the floor of the U.S. Senate where Senators are talking about how we simply have to provide people with more confidence in our institution and more confidence in this political process. It is consistent with the arguments that people have made about how the problem is that there is this perception in the country—I do not know if it is just a perception—that the Capitol really does not belong to the American people any longer.

When President Clinton gave his inaugural address, one of the most eloquent and powerful sentences that the President uttered called upon the House of Representatives and the U.S. Senate to move forward with real campaign finance reform, so that the American people could once again believe that the Capitol belongs to them and not to well-financed powerful interest groups.

That is what this amendment is all about. This amendment also goes after the special interest money. That is what everybody talked about when they eliminated the PAC money. This amendment, cuts in half the amount of money that individuals can contribute.

Mr. President, I would like to use some supporting documentation that I think will be helpful to Senators as they try to decide how to vote. I start out with a letter from Bob McGlotten, who is the Director, Department of Legislation, AFL-CIO. I will read:

DEAR SENATOR: It's our understanding that in the next few days—

This went out to all Senators—

Senator Paul Wellstone will offer an amendment to the leadership substitute for S. 3, the campaign finance reform legislation, which will reduce the individual contribution for contributions to congressional candidates from the current $1,000 per election to $500 per election.

It goes on to urge support:

The basic point of campaign finance reform is to end the undue influence of large contributions on the political process. During the 1990 election cycle, over one-quarter of all the money raised by congressional candidates came from individuals wealthy enough to make a contribution of $200 or more.

It goes on to argue that the AFL-CIO believes it is important to cut the individual contribution limit in half; that this has more to do with providing some assurance to average working people that they are in the loop in addition to those people who can make these large contributions.

By the way, Mr. President, I have to tell you that if we are talking about ordinary working people for a moment, interestingly enough, one of the ways in which working people now aggregate their dollars is through their political action committee. You do not have a lot of blue-collar workers or, for that matter, white-collar workers in the United States who can make a $1,000 contribution in the primary and another $1,000 contribution in the general election.

I also have a letter from Becky Cain, who is president of the League of Women Voters of the United States. I would just simply like to note her conclusion:

This legislation limits special interest contributions, particularly those of PAC's. This is a vital element of reform. It's also important, however, to further limit big money individual contributions. We urge you to support an amendment to cut the permissible size of individual to $500 per election or $1,000 per cycle. There are few issues more important to the healthy functioning of our democratic form of Government than the system of funding campaigns. Only by enacting comprehensive campaign finance reform can Congress reduce the influence of special interests, insure fair political competition, and get the public back into the election process.

Mr. President, I ask unanimous consent that these two letters, and several others from organizations who have endorsed the amendment, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. WELLSTONE. Finally, let me read from a letter from Public Citizen the grassroots citizens lobby.

DEAR SENATOR: We write to express our strong support for an amendment to reduce individual contributions to $500 per election, $1,000 per cycle.

As you are aware, large individual contributions are playing an increasingly dangerous role in the campaign finance system. With more candidates relying on large donors to fund their campaigns, we are concerned about individual contributions because, when analyzed in the aggregate, large individual contributions often outweigh the impact of PAC contributions. For example, according to research by the National Library on Money and Politics, in the 1990 elections, lawyers and lobbyists gave primarily as individuals, with 75 percent of their contributions coming from individuals and 25 percent from PAC's.

Moreover, as noted in the 1990 study by Citizen Action, large individual contribu-

tions from a small number of wealthy donors already play a dominant role in political giving.

I pointed out on the floor of the Senate before, and I would say this to my colleagues who say they are anxious to clean up the process, that just because you have a prohibition on PAC money does not mean you do not have the same lobbying coalitions here in Washington with the same capacity to raise huge amounts of big private money in a very short period of time, all of which, undercuts the very essence of representative democracy.

Let me give an example since it happens all the time, and I wish there was more discussion of this out on the floor of the Senate.

It is not uncommon for lobbyists or power law firms to bring together 100 people, all of whom contribute $1,000, and in 1 hour a Senator can go to a gathering and raise $100,000. That could be done during the primary, or it could be done during the general election.

Now, I would simply make two points. First, challengers are not able to do that. Second, that is precisely the kind of giving of money and the mix of money and politics that really creates widespread disillusionment within this country.

Let me return to the Public Citizen letters, because I think they made this point succinctly. They say;

We anticipate that large donor contributions, particularly at the $1,000 level, will increase significantly once PAC giving is prohibited or even limited unless there is a significant reduction in individual contribution limits. We understand that the spending limits and communication vouchers proposed by President Clinton encourage small donations allowing candidates to maximize their donor base. However, without significant reductions in individual contribution limits, candidates, most particularly incumbents, will focus their fundraising efforts on large donor, inside Washington fundraisers.

This is, Mr. President, precisely the point that I have made.

So once again, Mr. President, I would like to be clear with my colleagues. I came out on the floor at the very beginning of this debate. I said that I really believe we have to do much better for people in the country when it comes to reform of Government, when it comes to reform of campaign finance. I said I really believed a $100 limit made sense.

Now what I have done, after having observed this debate for some time, is come back to the floor of the Senate, I hope with a broader base of support, and I have just simply said to Senators, listen, just in the spirit of trying to do better for people in this country, let us not within the framework of reform pass one amendment which essentially says we are going to prohibit the giving of PAC money or the taking of PAC money, but leave this loophole whereby individuals can contribute $1,000 in a primary and another $1,000 in a general election. That is going to be the sieve through which a lot of big money, private money, is going to come into this political process. That is the loophope.

This amendment does not go far enough, in my judgment, but at least it cuts the big individual contributions in half. At least it is an important step in the direction of trying to sever the link between large private money and candidates in the political process in this country. Therefore, I propose this amendment in the hope it will generate widespread support on both sides of the aisle.

I have to tell you, Mr. President, I do not know how long this debate is going to go. I have waited now for some time because I thought it was important that my Republican colleagues have a chance to propose amendments. There have been lots of amendments. I understand the junior Senator from Kentucky has not agreed to any time limit. I know we are going to have a cloture vote soon.

I do not know exactly how long the junior Senator from Kentucky intends for the whole debate to go on. I hope that Senators will not continue to obstruct this bill. I hope that this bill will at least get an up-or-down vote on the basis of its substance and on the basis of its content.

I hope Senators will take this amendment very seriously. I know this goes against the grain. I know this goes against the way people raise money right now. But I have to say to my colleagues, please try to make the following kind of distinction. Men and women in the U.S. Senate raise this money this way because there is really, right now, given the system, no other choice. That is the problem. But many, many Senators would far prefer to do it differently.

I think in this bill we now have not as much public financing as I think there should be, but significant enough public financing, combined with some other reforms, ending soft money, the prohibition on PAC's, and if we can get the individual contribution down, the limit down from $2,000, which is really obscenely high, to $1,000, I think we will have taken an enormous step forward.

Enacting this bill would mean that a Senator would have to agree to a spending limit in exchange for some public financing, the public financing being the incentive. Anyone who wants to spend an unlimited amount of money, if that person is wealthy or whatever, can do so.

But I think if we pass this legislation—I hope we do—the public is going to put the pressure on candidates, Republicans and Democrats alike, not to try to buy the election and spend their own money or raise huge amounts of private money but stay within the expenditure limit. In addition, if we pass this amendment, I think what we can say to people is we have a reasonable amount of public financing. I think there should be more, but it is still significant.

We have ended the soft money abuse, which has been a terrible abuse within this process. We have done something about the PAC money. But I think we owe it to the citizens of this country to make it crystal clear that we have not dealt with the problem of large individual contributions whereby the people who have the big bucks can make the $1,000 contributions, and, therefore, all too often they end up counting more than the other people.

I was a political science professor before becoming a U.S. Senator. I always used to talk to students about the importance of one person, one vote. We had a whole set of landmark reapportionment court decisions that dealt with that. Now what worries me is that it is not one person, one vote. That is what makes people so angry when you talk to them in cafes. They feel that way too much of this political process is controlled by big money. That is what they believe.

Mr. President, you have a special affinity, a special empathy, with young people. I mean, much of the work that you are doing on community service, national community service, is based upon your faith in—I guess I would have to say even love of—young people. One of the things that is most heartbreaking to me, as I travel around Minnesota, is when I ask the high school students to take out a piece of paper and I say to them, "I am going to mention the word 'politics' to you all. I want to write down the first three words that come to mind."

Almost all of those students write down the following words: Politics, they write down "big money," "fake," "phony," you name it. "Big money," "fake," "phony" is in almost everything they put down. Ninety percent of the comments that they make are along those lines.

I know they are being very honest about the process. I say to them, as someone who is new here, I have met a lot of men and women in the U.S. Senate with a highly developed sense of public service. Politics is what you make it. Politics is reputable if reputable people go into politics. Politics is disreputable if disreputable people go into politics. But in a representative democracy you are the ones that make this political process what it is, and public service can be the highest honor.

I know that is why, Mr. President, you are in the U.S. Senate. I look at Senator GRASSLEY from Iowa. Even though we do not agree on every single issue, I know absolutely, from everything people tell me from Iowa, and from what I have observed personally, that he cares fiercely about representing people. He goes back to his State all of the time.

But if we are going to give people more faith in this political process, we are going to have to clean up our act; we are going to have to make this process less, if you will, accountable to the cash constituencies and more accountable to the real constituencies, and the real constituencies are the people that live in our States, the people that live in this country, regular people, the vast majority of whom are not organized and are not represented by political action committees, but also are not the people that give $1,000 in the primary and another $1,000 in the general election.

This is a moderate amendment. At the very minimum, here in the U.S. Senate we owe it to the people to begin to reduce the influence of large, individual, very interested private money. That is, Mr. President, precisely what this amendment does. I urge my colleagues to support it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SIMON. Mr. President, I will be supporting the amendment of my colleague from Minnesota. But I rise not to speak on that but to speak to another amendment that I understand will be presented for eliminating all public financing that we have in the legislation.

That would be a great mistake. Frankly, I think we made a mistake rejecting the amendment of Senator JOHN KERRY, which really would have eliminated the abuses that we now have at least in the general election. The public understands that the present system corrodes our democracy. The public understands that, in fact, the public perception is even worse than the reality.

The reality is bad enough. The public perception, I think, is that we are up for sale for campaign contributions. It is not quite that bad, but it is bad enough. And there is no question that money talks more than it should on the floor of the U.S. Senate, and in Government generally.

But to move away from the public financing that is part of this bill—which, in my opinion, does not go as far as it should—I think would be a great, great mistake. It affects all of us.

My distinguished colleague who is presiding has to go through another election. It is hard to believe he has been through so many elections, and he has to go through another one in a short time. Our colleague from California, Senator FEINSTEIN, had to go through three statewide elections in California in a short time. I see my colleague from Iowa on the floor, as well as other colleagues.

This system affects all of us. Let me give a very practical illustration. Say that my friend from Iowa, or my friend from Pennsylvania, or I, end up in a hotel—and we spend a lot of time in hotels and motels in this business. It is midnight, and we end up in a hotel. I have never promised anybody anything for a campaign contribution, and knowing my colleague from Iowa and my colleague from Pennsylvania, I am sure that is true for them, too. But let us say we get into a hotel at midnight and there are 20 phone calls waiting for us; 19 are from people whose names we do not recognize, but the 20th is somebody who gave us a $1,000 campaign contribution.

At midnight, we are not going to make 20 phone calls. We might make one. Which one do you think we are going to make? We all know the answer. It means that the financially articulate have inordinate access to policymakers and have inordinate influence in the end result.

It just is not a healthy system that we have. It really warps democracy. So when the amendment is offered to eliminate what we have in this bill of public financing, I hope it will be rejected. I was hoping that somehow the Kerry amendment would have been accepted. I think that would have been a significant step forward. I think this bill shaped by Senator BOREN and others is a step forward. It is not as significant as I would like, but it at least moves in the right direction.

When people say that the public is not for public financing, it depends on how the question is phrased. We have all been in this business long enough to know that is the key. If you ask people, "Do you favor foreign aid?" they say no. If you ask them, "Do you want to help hungry people in a country where people are desperate and starving?" they say yes. It depends on how the question is phrased.

My hope is that we will reject any attempts to dilute public financing in this bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. WELLSTONE. I wonder if I might ask my colleague from Illinois a couple of questions, if he has a moment.

Mr. SIMON. I will be pleased to answer the questions, if I can.

Mr. WELLSTONE. Mr. President, I appreciate the Senator's support on this amendment. I will soon get back to this amendment on the individual contributions. But I want to build on the point that the Senator from Illinois made on public financing. He holds a lot of town meetings. Long before I came to the U.S. Senate, I heard that is one of the things Senator SIMON has done over the years.

Mr. SIMON. I do a great many. That is correct.

Mr. WELLSTONE. When this question comes up—because quite often there has been a sound-bite kind of attack referring to "food stamps for politicians" and "do you want your tax dollars going for politicians?"—how do people talk about that, and how does the Senator from Illinois talk about this issue of public financing with people?

Does he find that people object to it, or what is it that people say?

Mr. SIMON. First, Mr. President, in response to my colleague from Minnesota, one of the reasons I hold so many town meetings is I want to make sure I am accessible not just to the lobbyists in Washington, not just to the people who are the big contributors to my campaign. I want that unemployed person to have access to me; I want the woman struggling with health care problems because she has a disabled child to have access to me.

In town meetings, when I start off, when the question comes up—and it comes up in a variety of forms—I start off by saying our present system has to be changed, and they agree. Then I talk about the dollars that we spend in a Senate race in Illinois, and people are astounded. I think they would be astounded.

I know my colleague from Minnesota was outspent 7 to 1 in his last race and, amazingly, he won. That is rare, I have to add. Money usually determines—all other things being equal—who wins. But the people in Minnesota, I think, are still stunned when they hear the amount of money that goes into a race like that.

My proposal has always been a checkoff, and I say: If we had a $3 or $5 checkoff on your income tax to pay for this, and both candidates in the general election got the same amount of money to spend, what would you think? Every audience is overwhelmingly for it, whether it is a Republican area, Democratic area, or what.

The public knows the present system abuses our democracy. It makes this body much too responsive to big money.

But increasingly, whether it is St. Paul and the suburbs or Minneapolis and the suburbs or Chicago and the suburbs or where we live, the people who live around us are of the same income level, and we are stockpiling the poor increasingly into the central cities and they are living by themselves. People who do not know how to

solve problems live next to people who do not know how to solve problems. Plus those of us who are more articulate, either verbally or financially, who tend to pay attention to politics, the poor who are struggling are no longer our neighbors. So the underclass grows in our society.

One of the things that is happening in our society, not dramatic, is we have a shrinking middle-class, with a few people moving up, more people moving down. That is social dynamite, and I think our system of financing campaigns accelerates that trend.

Mr. WELLSTONE. I do not want to keep my good friend on the floor any longer than necessary. I think he has pinpointed an essential problem of representation in democracy, especially that some people are just less represented than others. Again, it has something to do with this mix of money and politics.

The perfect example in this is the health care reform debate. Some time late summer or early fall, Mrs. Clinton and the task force will present a proposal or set of proposals to the President, who will present a bill or a set of proposals to the Nation and to Congress.

U.S. News & World Report ran an article in May they pointed out—this is just astounding—in the 1992 cycle the health care industry spent $41.4 million in political contributions, and as the tempo of the debate on reform has picked up, the tempo of the giving of money has picked up. This was soft money, hard money, PAC money, individual money—all big money.

It is no wonder that people get disillusioned about this and say, "We do not really think that you care when it comes to our wanting to make sure we have coverage for ourselves and loved ones, when it comes to making sure we are able to afford this, to make sure we have decent care. We really think you care about the insurance companies and the pharmaceutical companies that march every day into Washington; you really care about them."

I do not think that is true, certainly in the case of most Senators. But on the other hand, when people see this pattern of giving including, I might add, the large individual contributions—it is not just PAC's, but wealthy executives can also give money—then I think people become disillusioned with the process.

Mr. SIMON. I thank my colleague.

What he is addressing is frankly not just the matter of campaign contributions, but the whole philosophy of government. Why are we here? Whom are we supposed to serve?

My political mentor was a great Senator, Senator Paul Douglas, and Senator Paul Douglas had the theory you do not need to spend a lot of time taking care of the rich and powerful; basically they are going to take care of themselves pretty well; you have to take care of and work for those who are struggling.

We spend too much time here working to take care of the rich and the powerful, not those who are struggling.

I thank my colleague.

Mr. WELLSTONE. I thank my colleague, too.

Now I want to give some figures that I think buttress the case that this amendment goes to the heart of how Senators raise their money. What I am trying to do is to make sure that after campaign finance reform, after we pass this bill—if it is not filibustered by amendment—that we make sure that we no longer have all of these big fundraisers going around the city, $1,000 a crack, Senators raising $100,000 an hour. Let me give you some figures that I think are important.

In 1990, of political contributions over $200, about 20 percent were in amounts of $200 to $500, and about 78 percent were in amounts from $500 to $1,000. Seventy-eight percent of individual contributions over $200 were in the $500 to $1,000 range. This just shows you the bias in the current system which is built in toward large individual contributions.

Mr. President, in 1992, over $132 million was given to congressional candidates in large individual contributions. Let me repeat that—and my definition in large individual contributions is over $500. In 1992, over $132 million was given to congressional candidates in large individual contributions, those over $500.

So, Mr. President, if we are going to tell the people that we are going to make some real reform here, then let us make sure we deal with the large individual contributions.

There is one additional point that I want to make on the floor of the Senate, Mr. President. I would like to meet the argument that some Senators make against this amendment. They argue, and say at about $100—and some are saying at about $500—they say, "My gosh, if you lower the individual contribution limit, we are going to have to spend more time raising money."

I will tell you something, Mr. President. I for one am more concerned about the decline of democracy. I am more concerned about the way in which some people with the financial wherewithal have too much representation and the majority of people are cut out of the loop. I am more concerned about auction-block democracy. I am more concerned about the money chase. I am more concerned about government to the highest bidder than I am that Senators would have to spend more time raising money because they would be receiving smaller contributions.

Mr. President, the way I raise money right now is $100 and under per person per year, and I would like to continue to be able to do that. That is why I want us to have some reform so that I and my colleagues are not stuck in this obscene campaign finance system when I run for office again.

But I will tell you right now it is in my view a healthy way of raising money. I have lots of gatherings with lots of people in lots of homes and farm houses, and people come and make some small contributions. It is a labor-intensive way of raising money, but is a far better way of raising money because it provides for exclusive contact with my constituents.

Why should Senators spend more time out there in our States raising money from real constituencies as opposed to on the phone raising the big bucks from the cash constituents?

I am just not very sympathetic to that argument. I do not, frankly, think it passes the Main Street test, not in Minnesota and not in Pennsylvania. If Senators are talking to people in cafes, we did not vote to cut the amount of individual contributions in half so that it would now truly be $1,000, $500 per election, because that would mean we would have to spend more time raising money. People would look at them and say, wait a minute. That just would mean you would have to spend more time out with us raising dollars in smaller contributions as opposed to how it is done right now.

I mean, there is something wrong with the way we do it right now, So, I hope Senators do not try to make that argument.

I was looking through Brooks Jackson's book, who wrote for the Wall Street Journal, I think, when he did this work and I think now he is with CNN. The title of the book was "Honest Graft." One thing that really caught my attention was that, going back to the late 1980's the argument that Senators have consistently made, and Representatives, against campaign finance reform is, oh, if you lower the amount of money that we can raise in terms of contributions, we will have to spend more time raising money. That's an old saw. I do not think it makes any sense. Worse than what we do right now? Worse than the way in which we raise money in large contributions? I think not.

Mr. President, I yield the floor.

EXHIBIT 1

PUBLIC CITIZEN,
Washington, DC, June 7, 1993.

Senator PAUL WELLSTONE,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR WELLSTONE: We are writing to express our strong support for your amendment to reduce individual contributions to $500 per election—$1,000 per cycle. If adopted, your amendment would effectively cut by half contributions from individuals and would result in a campaign finance bill that reduces drastically the role of special interest contributions in the campaign proc-

ess, both from wealthy individuals and political action committees.

We believe as you do that the key to restoring competition to elections is to encourage contributions from ordinary citizens and to remove special interest money from the elective and legislative process.

As you are aware, large individual contributions are playing an increasingly dangerous role in the campaign finance system, with more candidates relying on large donors to fund their campaigns. We are concerned about individual contributions because, when analyzed in aggregate, large individual contributions often outweigh the impact of PAC contributions. For example, according to research by the National Library on Money and Politics, in the 1990 elections, lawyers and lobbyists gave primarily as individuals, with 75 percent of their contributions coming from individuals and 25 percent from PACs. Of the total $9.48 million contributed from the construction industry, giving was about equally split among PACs and individuals.

Conversely, most giving by labor unions is done primarily through their PACs with comparatively few large individual contributions attributed to labor interests. Overall, while business sector PACs outspend labor union PACs by about three-to-one, individual dollars in the business sector soar above individual labor dollars by a ratio of more than six-to-one. Thus, while business and labor PAC contributions have been banned through an amendment to the substitute bill, the business sector would be able to vastly outspend labor by chanelling their contributions through individuals. Working people would not be able to do the same. This result would provide wealthy donors unparalleled influence in the political process.

Moreover, as noted in a 1990 study by Citizen Action, large individual contributions from a small number of wealthy contributors already play a dominant role in political giving. That study revealed that large individual contributions (given directly to candidates) greater than $500 accounted for 27 percent of total contributions to congressional candidates. Also, individual contributions greater than $500 given directly to candidates or indirectly through PACs together accounted for 48 percent of money raised by candidates during the 1988 election cycle. Under current giving practices, this 48 percent of contributions over $500 (from individuals to PACs and from individuals directly to candidates) account for only one sixth of one percent of the voting age population.

We anticipate that large donor contributions, particularly at the $1,000 level, will increase significantly once PAC given is prohibited or even limited, unless there is a significant reduction in individual contribution limits. We understand that the spending limits and communications vouchers proposed by President Clinton encourage smaller donations, allowing candidates to maximize their donor base. However, without significant reductions in individual contribution limits, candidates, most particularly incumbents, will focus their fundraising efforts on large donor, inside Washington fundraisers.

You continue to demonstrate your leadership on this issue by pressing for reforms that will indeed end the money chase. Many citizens resent the large contributions and want to support legislation that lowers this number. In a recent poll by the Center for a New Democracy, 59 percent of those surveyed support lowering individual contributions from $1,000 to $500. Not only would significant reductions in individual contribution limits meet with greater enthusiasm in the public, it would be good policy as well.

Our coalition of national groups, including Common Cause, League of Women Voters, U.S. PIRG, Citizen Action, and ACORN, support this amendment.

Sincerely,

JOAN CLAYBROOK,
President.
DONNA F. EDWARDS,
Staff Attorney.

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA—UAW,
Washington, DC, June 7, 1993.

DEAR SENATOR: This week the Senate will resume consideration of the campaign finance reform legislation (S. 3). The UAW wishes to share with you our views on several amendments which are expected to be offered to this bill.

We understand that Senator Wellstone may offer an amendment to reduce the limit on contributions by individuals from $1000 to $500 per election. The UAW strongly supports this amendment. We believe it would help to reduce the corrosive influence of large, "fat cat" contributions. In addition, since the Senate has already accepted an amendment which prohibits workers from having an effective voice in the political process by aggregating small contributions through political action committees, the UAW believes it is essential that steps be taken to reduce the influence of wealthy individuals in financing election campaigns. Otherwise, the political process will be further tilted in favor of the rich and powerful in our country.

We also understand that Senator Exon may offer an amendment to strike the public financing provisions from the legislation. The UAW opposes the Exon amendment. By eliminating public financing, it would reduce the incentive for candidates to accept campaign spending limits. Even worse, the Exon amendment would make candidates more dependent on contributions from wealthy individuals. In our judgment, this would undermine the essence of campaign finance reform.

Accordingly, when the Senate resumes consideration of the campaign finance reform legislation this week, the UAW urges you to vote for the Wellstone amendment to limit individual contributions, and against the Exon amendment to strike public financing from the bill. Your consideration of our views on these issues will be appreciated. Thank you.

Sincerely,

ALAN REUTHER,
Legislative Director.

THE LEAGUE OF WOMEN VOTERS OF THE UNITED STATES,
Washington, DC, June 8, 1993.

To: Members of the U.S. Congress.
From: Becky Cain, President.
Re: Campaign Finance Reform.

The League of Women Voters strongly urges you to vote for the comprehensive campaign finance bill put forward by President Clinton. Such reform is an urgently needed step in addressing the inequities of the current campaign finance system and voter discontent with Congress.

Public confidence in the electoral process must be restored. The average citizen cannot hope to compete for influence with political action committees, large contributors and "soft money" donors. The costs of campaigns are out of control—increasingly forcing legislators to sacrifice the public interest to special interest fundraising. Challengers face a playing field tilted against them. The American voter feels disenfranchised and turned off.

The proposed legislation contains the essential elements of effective reform. It provides for partial public financing for candidates who accept voluntary spending limits. It curbs special interest contributions. And it closes the "soft money" loophole.

Partial public financing of congressional elections will return citizens and voters to the central role in elections. It will displace special interest money while enabling candidates to communicate their messages to the voting public. Public financing is the cleanest money in American politics. It is financing with "no strings attached." The League strongly opposes any attempts to water down or remove public financing from the legislation.

The legislation pays for public financing not by calling for additional funds from ordinary taxpayers but primarily by limiting the business tax deduction available to lobbyists. This is an important improvement over last year's legislation.

This legislation limits special interest contributions, particularly those from PACs. This is a vital element of reform. It is also important, however, to further limit big-money individual contributions. We urge you to support an amendment to cut the permissible size of individual contributions to $500 per election or $1,000 per cycle.

There are few issues more important to the healthy functioning of our democratic form of government than the system of funding campaigns. Only by enacting comprehensive campaign finance reform can Congress reduce the influence of special interests, ensure fair political competition and get the public back into the election process.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, DC, June 7, 1993.

DEAR SENATOR: It is our understanding that in the next few days Senator Paul Wellstone will offer an amendment to the leadership substitute for S. 3, the campaign finance reform legislation, which would reduce the individual contribution limit for contributions to congressional candidates from the current $1,000 per election to $500 per election. The AFL-CIO urges you to support the Wellstone amendment.

The basic point of campaign finance reform is to end the undue influence of large contributors on the political process. During the 1990 election cycle, over one-quarter of all the money raised by congressional candidates came from individuals wealthy enough to make a contribution of $200 or more. One study concluded that one tenth of one percent (.001) of the voting age population accounted for 46 percent of the campaign contributions made to congressional candidates during the 1990 campaign.

The disparity between the less than one percent of the population who can afford to make large campaign contributions—corporate executives, lawyers, doctors, and lobbyists—and the other 99 percent of the population who cannot, creates both the power to corrupt—and the appearance of the power to corrupt—the political process.

That, we believe, is more than reason enough to support the Wellstone amendment. But it does not stand alone. S. 3, in its present form, would increase the present disparity by removing political action commit-

tees from the political process. Doing so would, of course, remove the only avenue for persons of average means to prevent the wealthy and well-to-do from entirely dominating the financing of congressional campaigns.

Thus, without the Wellstone amendment, S. 3 would put the wealthiest few even more firmly in control of politics than they are today. That is certainly not the election reform that the President promised the American people.

To prevent the Senate campaign finance bill from stepping back towards "Watergate," the Wellstone amendment should be adopted.

Sincerely,

ROBERT MCGLOTTEN,
Director, Department of Legislation.

Mr. WELLSTONE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MATHEWS. Mr. President, I ask unanimous consent to speak as if in morning business.

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

TENNCARE

Mr. MATHEWS. Mr. President, I rise today to share with my colleagues the new direction in health care that we are pursuing in my State of Tennessee. The proposed reform, called TennCare, will cover 1 million Tennesseans now insured by Medicaid, plus 775,000 other State residents who now have to private health insurance. In 1969, Tennessee established the State's first Medicaid Program to provide health care to the poor and disabled. But today, the Medicaid Program itself is sick, threatening the financial vitality of the entire State. This year, the Tennessee Medicaid Program has over 1 million enrollees and expenditures of $2.8 billion, and the cost figures are expected to rise to $6.5 billion by 1997 if the system is not changed. The Governor and leading public policy figures in Tennessee realized that we could no longer afford the status quo, and so they developed the TennCare proposal.

TennCare is modeled after the highly successful Tennessee Provider Network [TPN], a managed system of HMO's and PPO's that furnishes health care to State employees and their dependents in all of Tennessee's 95 counties. All TennCare participants will receive free preventative health services. The program will be financed by pooling State and Federal Medicaid funds, other State and Federal health care funds, charity care dollars already provided to the uninsured by health care providers, and existing local government subsidies for indigent care. These funds will be combined with new revenues raised from premiums, copayments, and deductibles paid by TennCare participants with incomes above the poverty level.

For TennCare to go forward, the State must receive a Federal waiver to withdraw from our current Medicaid Program and to implement the new program. This waiver will be sought. I am honored to voice my support for the TennCare Program, which I believe can serve as a national model for the kind of comprehensive health care reform the Clinton administration is now considering. TennCare will provide more health care for less dollars, by reducing cost shifting, eliminating charity care, and developing a preferred provider system which encourages cost savings. The new proposal should both save money and improve health by focusing on preventative medicine and wellness care. It will provide greater access to health care to Tennessee residents, especially to low-income working Tennesseans who are currently uninsured. TennCare should even reduce welfare dependency: If a waiver is granted, AFDC recipients now covered by Medicaid could take a job and leave the welfare rolls without losing their TennCare coverage.

The TennCare proposal is innovative, ambitious, and sweeping. It offers a creative, thoughtful solution to the problems of rapidly escalating health care costs and the growing numbers of uninsured people. These problems are serious in Tennessee and in most States in the Nation. I applaud Tennessee's efforts to address this situation directly, and I look forward to seeing TennCare implemented throughout the State in the near future.

Madam President, I join with many of my colleagues in the Chamber in expressing a serious concern about where we are today in this country in addressing this problem. Unless we are able to get a handle on it, and unless we are able to develop a means of broadening the health care services to a wider range of people, and reining in the costs to a level, or at least to slow down the growth of costs in health care, we are facing financial ruin in our country.

I think that a State, whether it be Tennessee, Oregon, Washington, or California, that attempts to address this and comes to the point which Tennessee has in saying we feel that we have a possible solution, should be encouraged to develop that solution and should be given an opportunity, given the latitude within which to do it.

I hope my colleagues will join with me in urging a waiver, which will be requested by my State, be granted.

Madam President, I note no other Senator seeking recognition and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. BOXER). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DORGAN. Madam President, I ask unanimous consent that I be allowed to speak for 10 minutes as in morning business.

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

THE RECONCILIATION BILL

Mr. DORGAN. Madam President, in recent days, we have been grappling with the question of how to construct a reconciliation bill that cuts spending and raises revenue in order to reduce the crippling Federal budget deficit that is mortgaging this country's future.

It has been kind of interesting. The reconciliation bill passed the House by a very narrow margin. In the Senate, it is like watching 100 cooks trying to stew up a batch of chili; everybody is putting in their piece of the menu. Nobody knows what it will taste like in the end.

In the end, somehow, a week from tomorrow, we have to come up with a reconciliation bill that moves this process forward. If we do not, we will be doing what we have done for the last dozen years: Spend money now and charge it to the grandchildren.

We have to stop doing it. The President said, "Let us stop it and chart a new course and a new direction." He is right. Some in this Chamber say let us just do nothing, keep doing what we have been doing and ignore reality; pull our hats over our heads and pretend the deficit does not exist.

We have a President who wants to lead. Some of his proposals have been very controversial. Some we have had to change. But the direction he recommends is the right direction—cutting Federal spending, increasing appropriate revenues, and reducing this crippling budget deficit. We will not solve this country's vexing economic problems unless we get a handle on this Federal deficit.

Some say it really cannot be done because the kinds of proposals that are necessary are almost too draconian; they upset too many people. There are too many special interests that will fight virtually every proposal.

In this process, during this period, I am sending to the leadership my notions of how we can make deeper spending cuts than the President has recommended, deeper spending cuts than the House of Representatives has proposed, and increase some revenues above what has been proposed, do it in a different way, and actually reduce the deficit by a much more significant total than has been proposed as well.

I want to describe what I propose. Some people might say it is a wonderful idea. Others will say it is crazy. But the fact is that we have to start taking a look at a whole range of items to find out what we can develop a consensus on. Let me run through some items to demonstrate where we can save money and how we can reduce this Federal budget deficit.

Eliminate the super collider. If we keep funding the super collider, which is a financial smorgasbord for physicists down in Waxahachie, TX, we are spending money we do not have on something we do not need. We can save $4 billion by eliminating the super collider. We ought to kill it dead right now.

Eliminate the space station program. It sucks money away from all of the other space programs that are important. It cannot do what it was originally proposed to do. It is going to cost much, much more than we thought, and it will not meet its objectives. Since that program cannot do what was advertised, and is sucking needed money away from so many other important space programs at NASA, is it now time to say let us dump it and save $11 billion?

Star Wars. SDI. The cold war is over. The Warsaw Pact is gone; it does not exist. There is no Soviet Union. But do you know what keeps marching right along? Weapons programs like Star Wars. To protect us from what?

Let us dump star wars. Let us kill it, dead, and save $23 billion in 5 years.

We spend about $270 to $300 billion in the Federal Government on overhead, on indirect expenditures.

I say we should cut that by 10 percent. If a business is in trouble, what is the first thing a business does? Cut its overhead and defer capital expenditures. When the Government takes a look at its overhead, what it spent last year, it usually adds a few percent that it can spend next year. I say the Government ought to cut indirect spending, cut its overhead.

I worked 18 months along with the person now sitting in the chair on a project on Government waste. We proposed a 10-percent cut in overhead that will save nearly $30 billion a year. Let me be much more modest today and say let us just enforce a 2-percent cut across the board on all indirect spending, all overhead, all bureaucracy in the Federal Government. I am talking about the legislative branch, Members' offices, the executive branch, the judicial branch, 2 percent. We would save at least $15 billion. We can save much more, and I hope we will, but $15 billion with a very modest cut.

On the D-5 Trident II submarine missile program, we already have built plenty of them. Shut the line down and save $4.4 billion.

Close the provider tax loopholes in the Medicare Program. That is the loophole that allows States to such money out of the Medicaid system by levying a false or phony provider tax and then reimbursing the providers. Let us stop this scam, stop the scam, and say to the State governments: "You cannot do it anymore; you do not get the money." We would save $5 billion.

Let us ask our allies to pay host nation defense support for air bases overseas. Just ask them to pay at the level we had finally negotiated with Japan. If we did that, we would save $9.5 billion.

Medicare premium adjustment for the wealthiest on Medicare. That is all I suggest for Medicare. We are going to spend $996 billion on Medicare over the next 5 years, almost $1 trillion—$4 billion short of $1 trillion. This would cut eight-tenths of 1 percent out of it, and it would come from people whose incomes are over $100,000 a year. And we have groups running around this town saying, "This is going to kill this program; this is awful." What a bunch of nonsense. It is a very modest proposal, and we would still spend nearly $1 trillion on Medicare in 5 years.

This next one is a proposal I offered on the floor a couple weeks ago. Let us freeze the building of new Federal buildings for 2 years and save $1 billion. We are going to cut 100,000 people from the Federal work force, and yet this unrelenting engine to build more and more extravagant Federal buildings keeps humming along. It is time to take a break for a couple years and have a moratorium on the building of new Federal buildings and save $1 billion. That is not a very ambitious program.

That makes $81 billion in additional spending cuts added to what the President proposes.

Some say they do not like any taxes, and I understand that. But let me give you an example of what we could do to raise some tax money.

In the President's budget, he proposes a change in the alternative minimum tax. I am telling you there are not two people in this room, there are not two people around here who understand the mechanics, the detailed mechanics of AMT. But about $5 billion of this proposal will enable the richest companies in this country to not pay taxes again. The 1986 Tax Act turned them into taxpayers for a change. This new proposal bestows upon them enormous benefits, billions of dollars in tax breaks they do not deserve. Dump it and save $5 billion on the tax side.

Seventy-two percent of foreign corporations doing business in this country pay no taxes. I am not talking about low taxes. I am saying 72 percent of foreign corporations doing business in America pay zero, no income taxes because we have a system that is sort of like the horse-and-buggy days. It is called trying to appease with arm's length approaches. It does not work. We need a new formula for apportioning the income of multinational companies here for a tax base, and even using a modest estimate of gains we will pick up $25 billion in revenue in 5 years.

We have a provision in our tax law that says to a company if you are manufacturing in Bismarck, ND, or San Francisco, CA, we will give you a deal. If you take that old manufacturing plant you have, if you padlock the doors, fire the employees, and move the doggone thing overseas, put it in a foreign country, we will then give you a tax break. This is called deferral. Move your company overseas and we will give you a tax break.

I have introduced legislation in the Senate that says let us shut that down. We have problems enough getting new jobs in this country without paying companies to move their factories overseas. Scrape this provision and save $1.3 billion. That is a tax increase. We are not giving a tax incentive for people moving overseas. That is a tax increase. Most persons would say, "Yes, go ahead and enact it, Congress. That makes a lot of sense."

Then Mr. President says let us increase the earned income tax credit by $28 billion. I say cut that in half, to $14 billion. I support that program, and that is still nearly a 20-percent increase. If that is not enough, I do not know what is enough. We would save $14 billion.

And as to the energy tax, I do not like an energy tax, but I have proposed that either using an oil import fee, or a modest gasoline tax in the area of 3 cents a gallon or some combination of both, we raise about $15 billion.

The President proposed increasing the corporate tax rate from 34 to 36 percent and that got modified over in the House, to 35 percent. I say the President was right in the first place. Make it 36 percent. That is $16 billion with a modest 36 percent corporate tax rate.

End the foreign tax credit loophole on royalty income that the President proposed. If we dump this as well, we put in $3 billion.

That is a menu of some increases on the tax side that are not going to injure this country. They are modest. They are reasonable. People can change them. I do not have a copyright on them. I mean, I do not have all the good ideas but I think these are reasonable approaches.

If we took these steps, if we completed these steps, we would talk about $79.3 billion in additional revenue. So the sum of just that list is $79.3 billion in additional revenue.

I mentioned the $81 billion in additional spending cuts. As you know, the Btu tax is gone, scrapped, dead. If you add it all up, if you take the Btu tax out—which is gone—increase the reve-

nues as I suggest, cut additional spending as I suggest, you come up with $89 billion more in deficit reduction than the $500 billion the President is proposing.

Those who say that by next week at this time we cannot solve this problem are just not looking at the practical approaches we can use to deal with this country's budget deficit. And some say, well, do not touch this, do not touch that. If you mention the Btu tax, or the gas tax, or the oil import fee, or Medicare, you are going to make this group furious or that group furious. If we are not willing to risk our jobs around here to fix the problems we do not deserve to be here. If these proposals make people angry, tough luck. If we are not prepared to fix this country's Federal deficit, this country is not going to have the economic future I want. I do not have any great interest in continuing to serve in a body that continues to rack up deficits and cripple our future.

So the question for all of us in the coming weeks is, are we going to put aside all of this nonsense that we have been discussing and start really focusing in right at the bull's-eye? Are we going to look at the target and the center and say what is wrong in this country and understand what is wrong? We are spending 24 percent of the GNP in the Federal budget and raising 19 percent in revenue and charging 5 percent of the gross national product to our kids and grandkids. We are ruining their economic future, instead of assuming responsibility for it. And that's wrong.

My friends on that side of the aisle say, "Well, you're blaming Reagan and Bush."

No, I blame everybody. Our responsibility, in both the House and the Senate for the last dozen years, was that we followed a fiscal policy that was dangerous, irresponsible, and reckless.

It was based on the Laffer curve. Some economist named Laffer says if you can just lower taxes, somehow the Government will get more money; double defense spending and the money to pay for it will magically appear. The fact is defense spending was doubled, tax rates were lowered, and the resulting problem was charged to the kids. The debt has injured this country irreparably, and it is now our job to decide that we are going to fix it.

This President has taken about as heavy a hit as any politician I have ever seen in the last month or so. He has made some mistakes. He is probably the first to admit that. I would not suggest that a Republican President is all right or all wrong, nor would I suggest that of a Democratic President.

But I will say this: Every person in this room has a stake in this President's success. If success means confronting our problems and fixing what is wrong in this country so that we can raise kids who can look to the future with some opportunity and some hope again, then it is in our interest to join with this President, and say that what we have done for 12 years has been wrong, what we have done for a long time has been wrong, and we have to fix it.

I consider myself more of a Jeffersonian Democrat. I am not one of those who believe that for every national problem we can put a coin in the vending machine and get out a national public program and fix it and move on to the next program even before we look at whether the first program works. I do not believe in that.

I believe in empowerment across this country. I believe in the American people speaking through their political system to make this place work on their behalf and in their interest.

If you go to any town meeting, I venture to say, anywhere in this country, and ask people what is the problem, what is the trouble, almost all of them will tell you, in a sort of confessional way, that deep in their hearts, deep in their guts, they feel a sense of despair that we are not winning in this country; we are losing. Our jobs are moving away. Their kids confront a job market, even when they are well-educated, that does not offer them tremendous opportunities. Too many qualified, good people—ambitious, willing to work—find that the job market does not provide jobs for them.

There is a sort of despair out there. People wonder how can we begin to produce and compete, how can we fix what is wrong in this country so that we can develop jobs, so that our plants are not moving out of the country, so that we are buying American goods and not foreign goods.

And they also understand that central to that question is the question of whether we can get our economic house in order. Because this Federal deficit affects every single American; every single business and every single citizen is affected by this deficit.

(Mr. AKAKA assumed the chair.)

Mr. DORGAN. It is our job, every one of us. We were elected to fix these kinds of problems. And ranking at the top in this country is the problem of the crippling Federal budget deficit.

Even as I say that, Mr. President, I understand people out in this country are hurting. People need help. There are people today who cannot eat because they do not have money; people who cannot work because they do not have jobs. We have a million babies that will be born in this country without fathers; 700,000, in their lifetimes, will never even know who their fathers are. Ten million people do not have work; 25 million people are on food stamps; 40 million people are without health insurance.

I am not unmindful of the tremendous needs we have in this country. It is our responsibility to address those needs as well.

But the needs of every American, rich and poor, are tied up in the question of whether we will fix what is wrong in this economy. And what is wrong in this economy is we are spending our kids' money today, in many cases on things we do not need, and we must stop it.

In the next 8 or 9 days, we have a chance to decide that we will join this President in changing the economic direction of this country.

Is he right on every point? No, not necessarily. Are we going to change some of his plan? You bet.

But should we join him in deciding what we need is economic change? Of course, we should; and we must, if we are going to have an economic future.

Mrs. BOXER. As the Senator from North Dakota knows, I was in the chair during most of his presentation, and I listened carefully to him. I just want to tell him what a breath of fresh air he brings to this Chamber. He has, in a very productive fashion laid out what the problems are that face us in this Nation, that face our families and our children, and he is doing it in a way that really helps us rather than hinders us.

He is calling on us to work together, all of us in our own party and in the Republican Party, as well, with our President. We only have one President. And he is taking it on the chin. I have never seen anything quite like it.

As the Senator has pointed out, of course, each and every one of us can come up with our own solution. As a matter of fact I like about 99 percent of the solutions that the Senator has put forward. I hope we can take a lead from what he has put before the Senate today.

But this President deserves a tremendous amount of credit for changing the dialog.

We had Presidents for the past 12 years who really led us down the wrong path. It was the path of deficits. It was the path of noncompetitiveness. It was the path of leaving to our children the problems that we need to face today. It was a path of growing deficits that are eating away at the heart of our economy. And so he deserves a tremendous amount of credit.

Let me tell you, when you finally choose to face up to these problems and do something about them, they are all hurtful solutions. And the Senator is right when he says we are going to make people angry. Of course, we are going to make people angry, because we stand for change. We do not like the status quo. We are angry about it. We do not want to see government waste and inefficiency, and we do not want to see these deficits continue to grow out of sight.

And, sure, you are going to make people mad. No one likes to raise reve-

nues and no one likes to cut spending. It is very difficult.

This President is leading us forward. We will change some of the things he suggests, but we must stick to the broad outline of his approach, which is to cut unneeded spending, make investments that we need to keep competitive—and make cuts in this deficit totaling at least $500 billion over the next 5 years.

And I will say, if we do that, you will ruffle some feathers and the folks back home will get mad for a little while. But we have to have a longer span of attention around here, I say to my friend. We cannot just look at the press clips from today.

But if you are here, you should be here for a noble reason. If you are here, you should be able to take the punches and do what is right and not look at polls.

If you look at polls, you do nothing. Because for every action that you take, there is someone who is not going to like it because you are ruffling their feathers, whether it is the doctors or the insurance companies or the big oil companies. But we have to be strong and stand for change.

In conclusion, I just want to say to my friend, I was not planning on speaking. But, once again—and I have had the honor to serve with him for 10 years in the House of Representatives—he has brought us back to the central reason of why we are here. We are here to make America the best she can be. And by attacking the problems that we face and taking it on the chin when we have to, but moving toward that better place, we are doing our jobs.

I thank the Senator for his incredible contribution at this very crucial time.

I yield back the floor.

Mr. DORGAN. I thank the Senator very much.

The Senator from California obviously represents a much different region of the country than do I. She represents 31 million Americans living in California and I represent 640,000 North Dakotans living in sunny North Dakota, a wonderful group of people.

But I venture to say that those who live in North Dakota, the 640,000 North Dakotans, if we were to get them all in the same room and get a like number of Californians in the same room, they would probably conclude, after a long discussion, the same things about what is wrong with this country and how to fix it.

And these things are actually pretty simple. People want a better opportunity for themselves and their families.

Nobody wants something for nothing. I will tell you, I have met a lot of people on welfare. I have yet to meet the person that says, "You know, what I really look forward to tomorrow is doing nothing."

In almost every instance, I have met people who just make your heart bleed because they so desperately want to be productive and so much want to go out and do things. And they find the door blocked, no opportunity, no jobs, no skills, no education, no training.

Most people in this country want the same thing. They want opportunity. And to get opportunity you have to have a country with an economy that is growing and expanding. And to have a country that is growing and expanding we have to have a fiscal policy that works.

It is not an accident, it seems to me, that virtually every industrial country in the world is now exhibiting slow growth or no growth. We are all in trouble, not just the United States, although the United States has had, I think, a more reckless fiscal policy with more deficits, but all advanced economies are in trouble. And it seems to me that one of the reasons might be the multinational corporate types who circle the globe in their private planes and look where they might be able to manufacture next, always choosing the cheapest place they can to manufacture their shoes or their suits or their television sets, someplace where they can get by with paying $1 an hour.

So the result is that manufacturing in this world is moving, even from the major Pacific rim countries, certainly from this country and other industrial countries, to places in the world where you can get work done for a dime an hour, a quarter an hour, a dollar an hour.

I read the other evening about a woman from Indonesia. Here is a woman who works 6 days a week, 10½ hours a day making tennis shoes. At the end of the week she has earned enough money, from 6 days, 10½ hours a day, to buy one tennis shoe from the pair of tennis shoes that she makes to be sold on the American market. That is her weekly wage.

Why are the tennis shoes made in Indonesia? Cost. Where are they going to be sold? In a consumer country like ours. But if you make everything elsewhere and try to sell it here, where is the income stream, from the jobs that used to be held by Americans, with which now to purchase the products from the consumer shelf? The fact is, things have changed in a way that is not healthy for our future.

Part of that change has been exacerbated by the cost of doing business here. And part of the cost of doing business here is paying the price for a reckless fiscal policy in this country. That is what we have to change.

Let me just make one more point about Bill Clinton. This is a President for whom I campaigned. He has made some mistakes; in fact, he has made some whoppers. But who has not? I certainly have in my political career.

But I tell you why I believed in him. He campaigned on the notion of fundamental economic change in this country—fundamental economic change. We need an industrial policy to try to figure out a way to compete internationally so we can create new jobs. We need an economic policy in which we pay our bills, a fiscal policy in which we try to match expenditures and revenues. We need a trade policy that does more than just chant "free trade," but in fact requires fair trade.

Those are goals that I think are fresh, new, interesting goals, especially after our last two Presidents. This President has proposed some things that are tough to swallow for some people. I understand that. A couple of them have been tough for me to swallow.

There is an old verse about bullfights that probably applies to most Presidents, and especially now to this President.

Bullfight critics, row by row,
Crowd the vast arena full.
But there is only one man there who knows,
And he is the one who fights the bull.

That is probably what it is like to be President these days, to be in the middle of that arena with a stadium full of critics. Ultimately we must come up with a plan. He has proposed a plan, some of which the President in the chair might have liked, and some of which he might not have liked, some of which I liked and some of which I did not like. But ultimately it is our responsibility now to decide if we are going to follow the lead of someone who wants to change the economic course in this country, who wants to cut spending in a real way.

One of my colleagues on the other side of the aisle one day stood up and said: "You know, what I am concerned about is that there is a cut in spending for new prison construction in this budget."

He was all upset—just got all upset. He was twitting and so on, criticizing President Clinton for cutting spending for new prison construction. Lord forbid. This is a person who has spent a career telling us that the problem in Government is spending and we are not cutting enough, but seizes the opportunity to stand up and say, "Aha, this President wants to cut prison construction funds," and criticizes him.

My point is all Senators in this Chamber, even those who are the warriors—at least the rhetorical warriors about cutting spending—become wallflowers when things are cut in their political agendas.

President Clinton does not take a back seat to anybody with respect to incarcerating people who commit violent crimes. But we have plenty of places to incarcerate people in this country. We are abandoning air bases. That is a good place to put minimum security prisoners, put them all out in an abandoned base someplace and free up prison cells for violent criminals. That is what the President wants to do. It makes sense.

We have people who have made a career criticizing Democrats on spending who now stand up and say, "Gee, the problem is this guy is proposing a spending cut and it happens to be in an area I like." Well, that is just tough as well. If we are going to cut spending, we are going to have to cut spending pretty much across the board.

So I say today we have to, it seems to me, decide as a nation we want to succeed together. If we cannot figure out by now that we are a team and that we are in this together and that we all have a stake, that our kids all have a stake in the success of this effort, then we are not going to have much of a chance to succeed. But if we can try to round up some national spirit here and decide, yes, we are all willing to swallow a little bit and take some lumps and make some sacrifice, if we all believe that what we do will really make a difference in reducing this deficit, then we will, it seems to me, make a difference in our future.

Mr. President, the one thing that is interesting to me is that whenever we have an Olympics come around, we get this national team going and we put uniforms on and they are all the same color and we sit on the edge of our chairs in the evening and watch the Olympics and root for the home team, the American boys and girls. We think it is terrific. We have this burst of national pride.

I tell you what. We are in an olympics of a sort, an economic olympics. This is a big race we are talking about. This is a race for jobs and economic growth and opportunity. There are going to be winners and losers. We have not been leading the race. We did for a long time, but we have not been in recent years. The winners are going to be the countries that are able to produce most effectively the kinds of products, at the best prices, that people want to buy. That is where the jobs are going to be.

The winners are going to be those countries that can decide that their governments and businesses should not spend all their time fighting each other but that they ought to link arms because they are part of the same team. They'll decide how to go out and meet this competition from the European Community and from the Pacific rim.

If we do not find a way to develop some sort of spirit of national teamwork here—which includes a decision by the team of what our economic plan is and then an understanding that we will all change our schedules a little bit to come to the team practices and team meetings—if we do not figure out how to do that pretty soon, we simply are not going to win. At least for any kids' sake, I sure would like to win.

I grew up in a town of 350 people and each day that I walked to school I knew we were No. 1, the biggest, best, strongest, most—it did not matter. We led the world.

It is not true any more. We wake up and walk to work or walk to school and cannot say we are No. 1 in every category. There are other countries that are fierce, tough, shrewd international competitors. That competition is for jobs—and the future.

The solution to our ability to compete rests deep inside these pages, the plans, the options for fixing what is wrong in this country's economy.

This President says let us go about the business of doing it. Let us change direction. Let us take some medicine even if it is tough to swallow because, if we take medicine now, we will feel better later. I think we would be well advised in this Chamber to understand that our obligation in the next 8 days is not to say, "No," but instead to say, "Yes, we want to work together to fix what is wrong, to create a fiscal policy that really reduces this Federal deficit and puts us back on the right track for a future of growth and hope and opportunity once again."

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

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

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

Mr. PRYOR. Mr. President, I ask unanimous consent that I may speak as if in morning business.

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

SMALL BUSINESS UNDER THE CLINTON PLAN

Mr. PRYOR. Mr. President, earlier today on the floor of the U.S. Senate, President Clinton's economic plan was attacked, severely attacked, by two of our good friends and colleagues from the other side of the aisle who are, for their own reasons, opponents of this plan. They proclaimed that the President's plan would hurt small business in America.

Mr. President, I would like to start by saying President Clinton, himself, is a strong believer in America's small businesses. I share that belief with our President. I think, as he does, that small business provides the backbone of our economy.

With that in mind, Mr. President, I would like to set the record straight this afternoon on the real effect of the so-called Clinton plan on small business.

I must say that my interpretation of this plan and its effect on small business is diametrically opposed to those statements uttered earlier this morning on the Senate floor by two of our colleagues.

First, Mr. President, let us talk about small business and the growing Federal budget deficit, that enormous Federal debt, that places a huge drag on the economy.

It is that same debt that crowds out private sector borrowing, loans for new businesses, and money for small business expansion. The Federal debt drives up interest rates, which in turn drives up capital costs and the cost of doing business. The trillions of dollars of Federal debt piled up in the last 12 years under Republican leadership are slowing the economy and hurting small business each and every day.

My colleagues in the Senate this morning chose not to say that President Clinton's economic plan cuts the deficit by some $500 billion. That fact was conveniently left out of their statement. In fact, this President, President Clinton, has offered the largest deficit reduction plan in the history of America.

Mr. President, that fact was conveniently left out of the statements given this morning on the floor of the U.S. Senate. Nor do our colleagues say that $3 trillion of the current Federal debt is, in fact, the legacy of 12 years of Ronald Reagan and George Bush and their spending priorities.

There was another salient fact that was conveniently left out of those statements earlier given on the floor of the Senate, and that was—this is a fact—according to the Congressional Budget Office figures, in the last 12 years the Congress of the United States, during the terms of two Republican Presidents, has appropriated $17.3 billion less than Presidents Reagan and Bush asked the Congress to appropriate.

President Clinton's plan cuts this deficit by $500 billion. It is going to help the economy; it is going to help small business.

Mr. President, there is another chart from the Congressional Budget Office that, if I might, I would like to show at this moment. This particular chart demonstrates—the source is the Congressional Budget Office—the inherited debt of this President, President Clinton, on January 1, 1993. It also shows what that debt is going to be under his proposal, and then what is going to happen if we do nothing—if we do nothing, Mr. President, as some of our colleagues on the other side of the aisle might like us to do—and continue to ignore this problem, continue to ignore this crisis, the deficit will continue to grow and grow.

Mr. President, if the entire Clinton plan is approved—and we hope it will be—we are going to see that the deficit starts coming down. Under the Clinton plan, in 1994, we will see a significant drop in the deficit. If the Clinton budget plan is approved, Mr. President, we are going to see a continual downward movement of the Federal deficit.

Mr. President, there is something else that our colleagues failed to say in

their speeches this morning. Those critics who spoke on the floor this morning on the President's plan failed to say anything about the spending cuts in our President's plan. In fact, Mr. President, one-half of the proposals in the President's budget proposal are in spending cuts. And every day, every hour, it seems, our colleagues are coming to the floor to criticize this proposal of the President, and to say there are no cuts in the President's plan.

I challenge my colleagues who spoke this morning to come forward with their proposed cuts in spending, Mr. President. Where are those specific and real cuts that they want to make? Where are those cuts that they rail about almost hourly on the talk shows and in the media, in the press, on the radio? Where are those cuts, and why do they not come forward with those cuts and propose them, as our President has in his plans that is today before the Senate Finance Committee?

The President's plan cuts $100 billion alone out of unneeded and wasteful Pentagon spending. I think that we can go further in some of these cuts. I look forward to joining some of my colleagues in the coming days in proposing additional cuts that I am hoping our colleagues on the other side of the aisle will recognize and give us credit for.

Mr. President, we talk an awful lot in this Chamber about taxes. Our colleagues this morning, in talking about what this proposal was going to do and how it was going to impact small business, talked about the new tax burdens on small business as proposed by President Clinton. Mr. President, the President's plan actually reduces—reduces—the overall tax burden on lower income Americans and increases taxes on the wealthy. The critics this morning failed to point out that 75 percent of the tax hikes in the President's proposals fall on the wealthiest 6 percent of Americans. Our President finally want the wealthy to pay their fair share. The wealthy people of President have benefited for 12 years of tax breaks, while the tax burden on the backs of the middle class has gone up.

This morning's speeches also failed to mention the tax incentives in the President's economic plan which are specifically designed to help small business. President Clinton's plan gives investors, for example, a generous targeted capital gains exclusion for certain small-business stock. This 50-percent exclusion from capital gains taxation for investments in new ventures, small business, and specialized small-business investment companies will encourage investments in these enterprises. As a result, billions of dollars in capital is going to flow to small businesses, many of which have difficulty attracting equity financing in today's environment.

Our President's plan also does something else for small business. It allows small businesses to immediately expense $25,000 in depreciable assets, well above the current $10,000 limit. Allowing small businesses to deduct up to $25,000 for purchasing capital assets, we think, will provide a strong incentive for small businesses to increase their investments and their productivity, which will promote long-term economic growth and increase the demand for productive assets.

The list of incentives directed at small business in President Clinton's plan does not just stop there; it goes further. This plan provides special tax incentives to locate and invest in empowerment zones. It also helps small business men and women who work in the real estate industry by modifying the passive loss rules for certain real estate transactions. It extends the 25-percent deduction for self-employed individuals. It simplifies the rules for filing estimated taxes for small businesses operating as sole proprietorships, partnerships, and S corporations.

Mr. President, this is not to say that our President's plan is painless. There is no painless way to get out of this predicament that our country is in today. We are all going to have to pay for it, and we are all going to have to face the fact that there will be pain if we are to right our economic course. But under the President's plan, everyone helps reduce our Nation's deficit and our national debt. We believe the burdens must be fair, and they must be progressive.

This is exactly what is included in the President's economic plan. I submit that, from time to time, we think it is going to be necessary to straighten out the record, to correct the record, and to also emphasize what this plan is really all about.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I ask unanimous consent that I may proceed for 5 minutes as if in morning business to respond to the distinguished Senator from Arkansas.

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

THE CLINTON ECONOMIC PLAN

Mr. COCHRAN. Mr. President, I first of all commend my good friend from Arkansas for his willingness to defend the President's initiatives that he has proposed to deal with the problems of the deficit and the economy.

I do feel, though, constrained to respond to this extent: While I was not a part of the discussion this morning, as the Senate convened, on the subject of the Clinton economic plan, I was prepared to discuss the options that are being presented by Republican Senators working in concert with some on the other side of the aisle to develop approaches that are different from the Clinton approach.

I am constrained to point out, for example, that the distinguished Senator from Missouri, Senator DANFORTH, has been working with Senator BOREN, from Oklahoma, on an alternative plan. I understand that plan may include some suggested tax increases as well as other spending cuts, but the emphasis shifts from depending so much on tax increases to trying to do more on the spending reduction side of the balance sheet. I think more Republicans would prefer spending cuts that are different and produce deficit savings than relying so much on new taxes.

Another alternative, for example, is being worked on by Senator DOMENICI, of New Mexico, on our side of the aisle working with Senator NUNN, of Georgia. Their idea is to zero in on the part of the budget that is growing the fastest and that is the most out of control, the entitlement programs, specifically those programs that are growing at 15, 20, 25 percent each year, to try to get a better degree of control over the growth of those programs.

I think it is the kind of approach that is really going to pay dividends in terms of deficit reduction rather than just a lot of new taxes.

Another and third alternative that I am aware of that has been developed is by Senator ROTH, of Delaware, on our side of the aisle. His bill is sponsored by Senator LOTT, of Mississippi, my State colleague. Their idea is to try to generate more growth in the economy through incentives for expansion. Job-creating activity would bring in more revenues to the Government and would help reduce the deficit in that way.

So there are alternatives, and that is the point. And Republican Senators are not just criticizing the President's plan.

My friend from Arkansas, I know, would agree with me that it is much more advantageous to this process if we would try to work together to try to solve the problems of this country, and this Senator, for example, does not believe that the way to go about this is just in a partisan warfare where you have Republicans criticizing Democrats because they are Democrats, but, rather, trying to find the best alternatives and then try to get that enacted and to move the country forward, to move our economy forward.

But I do sense a new tone at the White House from President Clinton himself in talking about the fact that we are now seeing jobs being created in this economy and, although he tends to suggest that the reason we are seeing this improvement is because of the deficit reduction package he has proposed, I do not think that is right. Nonetheless, there is this realization that the economy is moving ahead, we are in a growing economy. It is not growing as fast. Not enough jobs are being created. But there is progress being made, and

that is a recognition that we had not heard before.

So I am glad to see that recognition. I think if we could be more on the level with what the real facts are in the economy and what the real options are out there, we may come closer to working out a growth plan for the economy that will really do some good. But we do have, in spite of all the criticism of our economy and the problem with the deficit, the strongest economy in the world. Americans are the most productive workers in the world. Our agriculture sector outproduces other countries. They are not even close. We are technologically the most advanced country in the world, and we translate that technology advantage into economic advantage. Eastern European countries are changing their system to be more like ours, because we are so productive and so efficient.

The whole point of this is not to come in and enact some changes and taxes that would undermine the strength of our economy. The criticism that I have of the President's plan is depending so much on tax increases to try to improve our economy, to reduce the deficit, for whatever purpose, to make the Government bigger. That may be one of the real reasons behind some of the tax increases, to bring more money into the Government so they can have a bigger say-so and more power in our country. I do not think that is a good motivation.

But for whatever the motivation is, the fact is the bill that passed the House and is now being considered by the Finance Committee contains $6 of tax increases for every $1 of spending cuts that are being considered by Congress. The President's plan over a 4- or 5-year period is an effort to reduce the deficit, but in this first year the only deficit reduction that takes place is in the defense budget where spending is cut considerably—considerably—more than it was anticipated to be cut in the previous administration.

I do not want to prolong the argument. I think it was appropriate to point this out. I appreciate my good friend's not objecting and permitting me to have this time to respond, to point out the alternatives that are being proposed and will be before the Senate for debate.

Republicans are involved in a positive and constructive way to develop other options, not just to criticize the President but to say there may be better ways of doing the job.

I thank the distinguished Senator.

The PRESIDING OFFICER (Mr. KOHL). The Chair recognizes the Senator from Arkansas [Mr. PRYOR].

Mr. PRYOR. Mr. President, my very dear friend from Mississippi, Senator COCHRAN, brought out two or three, I think, salient points. I would like to address myself to them for just a very few moments.

First, I was not going to respond until my friend mentioned the fact that the House bill that was passed 2 weeks ago today, I believe, by the House of Representatives and sent to this body contained $6, I believe he says, in taxes to every $1 in spending cuts.

Mr. President, what my friend must also tell us is that these are the only areas of jurisdiction addressed in the reconciliation process. This bill is only one part of the President's plan.

As my friend from the State of Mississippi knows, and he is a distinguished member of the Appropriations Committee, we are going to get to some real spending cuts in this bill, and more spending cuts in the appropriations process, some real spending cuts that the Senator from Mississippi is going to appreciate, and that I am going to vote for. I am hoping that those on the other side are going to vote for some of these spending cuts.

I know appropriators do not like this. They say it is not very scientific. They say it is too simple. But I am going to support an across-the-board spending cut, a certain percentage across the board. I hope my colleague and some of the other colleagues will support this effort.

I am going to support doing away with some of these projects that I do not think are justified right now, as we must deal with the national debt and the deficit. I am going to ultimately support a lot of spending cuts that the American people are going to support and that they will say, yes, the Congress has done something on taxes but they have done more on spending cuts. I believe that is what they are saying to us to do today.

I believe that is what the Senator from Mississippi is talking about, and I would only urge my colleague and friend from Mississippi and my other friends across the aisle not just to talk in generalities but to offer assistance and help to this President and offer to form, in a bipartisan nature, as we should, our efforts and ultimate goals. I would just encourage my friend from Mississippi to produce a plan. Just say: OK. Here is what we are willing to cut. Here is what we are really willing to raise in new revenues. Let us just see that plan. Let us put it out here. Let the American people see it, because our President has a plan and it is controversial and it is painful.

But speaking of pain, let me, if I might, bring out a Congressional Budget Office chart. Mr. President, I'm sorry, but I do not have a fancy-colored chart over here like some others I've seen lately.

Mr. President, I would like to show this chart to my colleagues in the Senate. This chart shows the tax fairness situation by the year 1998, under President Clinton's proposal.

Basically what this chart shows—it was issued in May of this year, just 2 or 3 weeks ago—is that those making over $200,000 are going to see their taxes having been dramatically increased. Those making over $200,000 pay almost all of the new taxes in the Clinton plan.

Now the reason for that is simple. Because, for the last 12 years, we have seen those making over $200,000 not paying their fair share of taxes, while the middle-income groups have paid a greater share of taxes. We are trying to even up the field. We are trying to put things back on a level situation. And we are trying to emphasize fairness once again in the tax policies of this country.

Mr. President, I know—I have not just gotten here to the Senate—I know what is happening, to some degree. I know that almost daily, almost every morning on the floor of this Senate, we are seeing our friends and colleagues on the other side—maybe two, maybe three; I am not questioning anyone's motive—taking on the President, picking out one little piece of the package and lambasting it for 20 or 30 minutes.

Mr. President, I think that from time to time it is incumbent upon us to set the record straight. And that is what I attempted to do with regard to today's attack on small business.

Tomorrow it will probably be on health care. Who knows? The next day, it may be on something else.

But I think if that is going to be the modus operandi, the way we are going to play it, the way we are going to do it for the next several months, I see no alternative, no option, but to try to come and honestly respond to some of these accusations, some of these allegations, and some of these facts that I think are not actually facts that have been placed in the RECORD by some of the speakers.

Once again, I am not impugning anyone's motive, I am not questioning anyone's integrity, but I am just basically serving notice that we are going to respond to some of these allegations. Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. AKAKA. Mr. President, we have been debating the campaign finance reform bill for 10 days now. I commend Senator BOREN and Senator MCCON-

NELL for their efforts in managing this bill. I am pleased that the amendments have been germane and the debate on both sides of the aisle has been spirited.

I support the Mitchell-Ford-Boren substitute to S. 3, the Senate Election Ethics Act, because I believe that the establishment of voluntary, flexible limits on Senate campaign expenditures for incumbents and challenges is necessary. Under this measure, Senate candidates would be able to spend between $950,000 to $5.5 million depending on the size of the voting age population in their States. These sums are more than adequate to run competitive and informative campaigns.

No one denies that Senate campaigns are expensive. As a Member of the House of Representatives for 13 years, I only needed to spend approximately $100,000 for my campaigns and my elections. During my 1990 campaign, I had to raise nearly $1.8 million. My opponent spent more than that.

Elections should enable our citizens to express their political preferences and to turn out those who have violated the public trust. I disagree with opponents of the bill that Americans are not concerned with reforming the way we run Federal campaigns. At the present time, the spiralling costs of campaigns are deteriorating the trust in this institution. This measure addresses the deep concerns which fuel much of the voters' distrust of elected officials—they believe we spend too much time and energy raising money to run our Senate campaigns.

As one who has served in both Houses of Congress, I know there is truth in this belief. Figures from the Federal Elections Commission indicate that overall spending in Senate and House general election campaigns ballooned during the 1992 Federal election cycle. Major party Senate candidates, on average, spent $2.75 million, up from an average $2.5 million in the 1990 cycle.

The substitute, in addition to setting voluntary spending limits, would also provide eligible candidates with alternative campaign resources, such as reduced mail rates and broadcast vouchers. Moreover, independent expenditures would be discouraged through partial public funding.

We have amended the substitute to ban contributions by political action committees or PAC's. We will have the opportunity to vote on an amendment to balance this ban by reducing the amount of individual contributions from $1,000 to $500. And, we have significantly cut the amount a candidate can loan his or her own race.

Mr. President, no one denies that challenging an incumbent Senator or Representative is a formidable feat. This bill would provide a more level playing field for eligible candidates through broadcast vouchers or matching contributions, discounted mail, and half-priced broadcast ads.

The measure we are considering is nearly identical to the bill we approved in May 1991. Regrettably, the House-Senate conference report was vetoed on May 9, 1992, and the veto was sustained by the Senate on May 13.

And now, 2 years later, we are debating a similar bill. Mr. President, I believe that we are more than willing, and able, to enact real reform. Not everyone will agree with every specific provision, but we all agree that reform is needed to restore the public trust in our election system.

I urge my colleagues to support the leadership substitute to initiate real campaign spending reform.

It is about time we make every attempt to return the confidence of people in our system and in our form of Government.

Mr. President, I yield back my time.

Mr. GRASSLEY. Mr. President, they say that politics makes for strange bedfellows. Well, as much as ever before I realize the truth of that statement. I noted with interest the testimony before the Senate Rules Committee given by Robert Peck, legislative counsel for the American Civil Liberties Union [ACLU]. Though I often do not agree with the ACLU, this time I believe they are right on target. I quote from Mr. Peck's testimony:

> The ACLU opposes the President's campaign finance proposal because we conclude that it violates the first amendment's guarantee of freedom of speech in numerous ways.

He goes on to say, and I am still quoting:

> This proposal goes far beyond the provision of public financing and imposes a variety of constitutionally unjustifiable burdens on the free speech rights of candidates and noncandidates alike. It is for those reasons we oppose the proposal, as we did S. 3.

While the proponents of this bill argue that the spending limits are strictly voluntary, there is nothing voluntary about it. When a candidate can be punished for not limiting his speech, this is an unacceptable first amendment violation of the worst kind.

Campaign speech is the essence of the speech intended for protection under the first amendment. It is political speech of the highest order. It should, therefore, receive the highest protection.

Some wonder how limiting spending is a form of limiting speech. In Buckley versus Valeo, the Supreme Court recognized that spending limits violate the first amendment by reducing the quantity of expression, including the number of issues, the depth of discussion, and the size of the audience that might be reached.

Expenditure limitations, the Court said, amount to "substantial and direct restrictions on the ability of candidates, citizens, and associations to engage in protected political expression, restrictions that the first amendment cannot tolerate."

While the measures in this bill are voluntary in form, they are mandatory and coercive in substance because of the punitive result if a candidate chooses incorrectly. To be punished for exercising your right to free expression is patently unconstitutional.

Buckley made clear that Congress cannot cap spending directly; thus, Congress must induce compliance through benefits. In the case of the bill before us, a compliant candidate is eligible for five financial benefits: voter communication vouchers, reduced mailing rates, half-price broadcast advertising rates, independent expenditure, and excess expenditure funds.

The independent expenditure amounts are particularly disturbing to me in terms of free speech. If a noncomplying candidate has support from a private, independent citizen exercising her free speech rights, the candidate's opponent will receive additional Government funds to answer what the private citizen says.

Why should the candidate who agrees to comply with spending limits get extra taxpayer funds just because his opponent has private support from a citizen? How is this consistent with the first amendment? How is this not simply a punishment for a noncomplying candidate? How is this a voluntary system?

Additionally, Buckley recognized that limiting campaign expenditures could actually handicap a candidate who lacked substantial name recognition or exposure before the campaign. Limiting expenditures would only keep this candidate from competing with a better-known incumbent because of the expense of running a modern campaign. Allowing this candidate to spend the same as her incumbent opponent is not providing a level playing field. It is the highest form of incumbency protection that could be guaranteed.

Buckley allowed public financing of campaigns because it would facilitate free speech, not limit it. The Court made clear that if you are going to limit spending, thus limiting speech, you had to provide public financing. While I understand what the Court said, in this time of fiscal constraints, I cannot justify a proposal to provide taxpayer financing for politicians. With the overwhelming debt that faces our Nation, and the current debate to raise taxes to address that concern, I think candidates should have to pay their own freight.

Our political lifeline should come from our constituents, who will volunteer to see that we are elected to represent their views. That is how representative Government works best. Funding should not be forced from taxpayers who are already overburdened with Government demands. The Republicans Policy Committee estimates the

cost of this bill for just the 1996, 1998, and 2000 elections to be $450 million, assuming a 100-percent participation rate. costs could be significantly higher because nonparticipating candidates would trigger the excess expenditure amounts to their opponents.

Mr. President, we already cannot meet all of the diverse needs presented to us by our constituents. Families and children have needs which should come before those of politicians. In light of the ongoing debate concerning the President's budget and raising taxes on American families, I cannot believe we are discussing giving this $450 million or more in campaign funds to politicians.

I am pleased that the Pressler amendment passed during our debate before the Memorial Day recess. I have consistently supported legislation that would eliminate PAC contributions completely.

Like the rest of my colleagues, raising funds for my campaign is not the most rewarding part of my job as a U.S. Senator. However, I have maintained two rules about all campaign contributions: They must be legal and ethical and they must come with no strings attached.

While I have consistently voted to eliminate PAC's, I have accepted PAC money in the past, since it has been legal. I use as an example of whether acceptance of PAC money brings obligation to the interest group: The defense industry has contributed PAC support knowing full well my opposition to the bloated defense budget and my continual investigation of wasteful defense spending.

I am a strong believer in grassroots support and Iowans seem to agree. In fact, during my campaign last year, more than 100 supporters joined the Grassley team every day with an average contribution of $40. This grassroots groundswell was comprised of over 85 percent Iowans. They were the lifeline, energy, drive, and people-power so crucial for my ultimate victory with 72 percent of the vote. I would not be in the Senate today if it were not for such a broad spectrum of supporters.

I believe strongly in representative Government. I work hard to keep in touch with Iowans by returning to Iowa virtually every recess and weekend. Every year, I made certain that I hold meetings with constituents from each of Iowa's 99 counties at least once every year for 12 years. I also rely heavily on the letters and phone calls I receive to know the concerns and interests of my constituents on Federal issues. This kind of hard work and constant communication is what helps develop such broad, grassroots campaign support.

Having consistently voted for the complete elimination of PAC's and soft money contributions, I am pleased with the Pressler amendment in the bill. The elimination of PAC's is one of the measures of true campaign finance reform.

There are several other provisions that I would like to see enacted into law. S. 7, the Comprehensive Campaign Finance Reform Act of 1993, has incorporated many of these provisions. As a cosponsor of the bill, I support its elimination of PAC's and soft money.

It would prohibit tax exempt organizations from acting to influence a Federal election on behalf of a particular candidate. It would require candidates to declare upon filing if they intend to contribute personal funds over $250,000 and it would prohibit them from recovering those funds from money raised after the election. Finally, it would require that all independently financed political communications to identify who provided what financing.

These are the kinds of issues I would like to see addressed in genuine campaign finance reform.

Mr. AKAKA. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

NEW YORK CITY BAR ASSOCIATION LETTER ADVOCATES CREATION OF A STANDBY U.N. MILITARY FORCE

Mr. PELL. Mr. President, the Association of the Bar of the City of New York on February 2, 1993, sent a letter to President Clinton urging that our Government give serious consideration to supporting the creation of:

First, a permanent standby U.N. military force available for peacemaking pursuant to article 43 of the U.N. Charter; and

Second, a volunteer standby U.N. military force for peace enforcement missions under article 40 of the U.N. Charter.

The letter is a carefully researched analysis signed by association president John D. Feerick and drafted by H. Francis Shattuck, Jr., of the association's Council on International Affairs which is chaired by Ruth Wedgewood.

The letter notes that establishing a U.N. force could eliminate delays when the Security Council decides on military measures, and would "help assure that the U.N. itself—and not the United States—will be and will be looked to as the U.N. police force wherever * * * police action becomes necessary."

The association's fundamental rationale is that standby U.N. military forces would better enable the United Nations to "deter and stop major aggression, protect humanitarian relief missions, deter or stop genocidal killings, and * * * enforce truce and peace agreements."

The letter makes clear that the United States veto right in the Security Council as well as the U.S. Constitution and existing legislation adequately address the concerns that our Government needs to retain the right to approve making troops available to the United Nations, and that will retain the final decisions as to their use.

Mr. President, I have long advocated a similar position. My interest in this subject goes back to the founding of the United Nations in San Francisco in 1945 when I assisted the working group drafting the articles of the U.N. Charter providing for such military arrangements.

In an article in the Providence Journal, October 3, 1992, I wrote:

> The time has come to implement the provisions of the U.N. Charter which authorize the United Nations to have at its disposal forces of member states to deal with threats to international peace and security. What was once seen as visionary has now become practical. The proposed U.N. force would be trained in the military tactics needed for peacekeeping and peacemaking. It could also be deployed to protect humanitarian aid workers, who have become increasingly vulnerable as armed groups ignore the protected status even of the Red Cross.

The recent experience in Somalia in which United States forces for the first time are deployed under a non-United States, United Nations command, has demonstrated anew the role that such forces can play. There have been many other peacekeeping missions which would have benefited from the existence of a standby U.N. military force.

In more challenging situations, such as Bosnia, a standby force would clearly have to be augmented by national forces, either directly or through a military alliance such as NATO. If there had been a standby force 1 or 2 years ago it might have been possible to deploy it then with greater effectiveness than is possible now.

There is a middle range of situations in which a standby U.N. force, able to move and act quickly at the direction of the Security Council, could make the difference in keeping a specific problem contained, limited in scope and ferocity, and preventing it from spreading or escalating.

Decisions to deploy the forces would, of course, continue to call for U.N. authorizations. The concern that such forces might used for purposes that we don't support is allayed by the fact that the United States, as a permanent member of the Security Council, will continue to have the right to veto an unacceptable proposed action. As the New York Bar Association letter notes, no country would be compelled to send its forces when it does not support an action, or if its forces are needed for its own national security.

Mr. President, I ask unanimous consent that excerpts from the text of the letter from the New York Bar Association calling for creation of a standby U.N. military force be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEBRUARY 2, 1993.

Hon. WILLIAM CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: The purpose of this letter is urge that in the interest of promoting and enforcing the rule of law in international affairs and strengthening the United Nations, our government continue to give the most serious consideration to the recommendation in the recent report of the United Nations' Secretary-General that:

(1) a permanent standby U.N. military force available for peacemaking be created pursuant to Article 43 of the U.N. Charter, and

(2) a volunteer standby U.N. military force on call for peace enforcement missions be created now as a provisional measure under Article 40 of the U.N. Charter.

Although the Secretary-General appears to have suspended for the time being his efforts to establish a U.N. force under Article 43, he continues to press for the creation of peace enforcement units. We believe these objectives are equally important and should be pursued simultaneously.

Since 1947 lightly armed so-called "peacekeeping" forces have been utilized increasingly. Such forces, under U.N. command, not even mentioned in the U.N. Charter, are used only with the consent of all parties. Primarily they observe or monitor geographic borders and demilitarized zones in truce and settlement agreements. These missions, however, have grown in complexity, e.g. protection of relief efforts (Somalia and Bosnia), organizing or even supervising elections (Namibia, Angola, Cambodia), administering the surrender of arms (Cambodia, El Salvador), verifying performance of human rights undertakings (El Salvador), virtually acting temporarily as a government authority (Cambodia).

Some missions, depending on the circumstances, require heavily armed units capable of enforcing as distinguished from simply monitoring peace or truce terms already agreed. Such troops have been called "peace enforcement" or "cease fire enforcement" units. It is this peace enforcing role at which the Secretary General's second recommendation is directed.

As to his first recommendation, Article 43 of the U.N. Charter contemplates a standby U.N. military force. Article 42 provides that when non-military measures are or would be inadequate the Security Council may "take such action by air, sea or land forces as may be necessary to restore peace and security." Article 43 requires that Members make such forces available on call under special agreements to be negotiated as soon as possible with the Security Council. Thus the charter, unlike the League of Nations' Covenant, recognizes that the U.N. can only fulfill its purpose of taking "effective collective measures for the prevention and removal of threats to peace," *i.e.*, against aggression, if it has such a peacemaking force. Such a force should be fully trained, combat ready and available on call. Today the U.N. is wholly dependent on one or more of its members voluntarily offering such forces to perform any given mission (e.g., Korea, Kuwait and Somalia).

In order to obtain even so-called "peacekeeping" troops to monitor a cease fire or other settlement agreement, the U.N. must also await an offer of troops and equipment from one or more of its members or a response to a request for troops from the Secretary General. Several Nordic countries already maintain standby peacekeeping forces for U.N. use. However, the Secretary-General recently reported that three or four months can elapse between authorization of a peacekeeping mission by the Security Council and the startup of operations—an unconscionable delay. Thus, the Security Council has in effect been denied quick access to several essential tools—these three types of forces: peacemaking forces to stop aggression, peace enforcement units and peacekeeping forces. It is reduced to the role of suppliant for forces to carry out its decisions.

Had U.N. forces been promptly deployed on the Iran/Iraq border in 1980 or at the Kuwait/Iraq border in 1990, perhaps coupled with a show of force by U.N., the ensuing wars might not have occurred. Had standby U.N. forces, including air and naval units, been available for rapid deployment at the beginning of events in Somalia and Bosnia, the situations in both these countries would almost certainly be different today. Had standby heavily armed peace enforcement units been available for rapid deployment against the Khmer Rouge in Cambodia and against the Savimbi rebels in Angola, the U.N. would have been in a stronger position to enforce the agreed settlement terms in these countries.

In short, with standby peacemaking Article 43 forces and standby Article 40 peace enforcement forces in place, it would be far more possible for the U.N. to deter and stop major aggression, protect humanitarian relief missions, deter or stop genocidal killings, and to enforce truce and peace agreements. The mere existence of such forces in some cases would act as a deterrent to aggression, to the non observance of truce or peace agreements and other unlawful actions and give the U.N. sorely needed leverage in its role as a peacemaker. Further, the U.N. could concern itself less with the question of how and where its forces would come from and more with whether and how to use such force.

Even if such forces were incapable of stopping a conflict between major powers, there can be no doubt of their usefulness stopping smaller scale conflicts—which unless stopped early, can widen to embroil additional states, e.g. that in Bosnia-Herzegovina.

Finally, the existence of such forces would help to assure that the U.N. itself—and not the United States—will be and will be looked to as the U.N. police force wherever substantial police action becomes necessary. This in turn means that the burden of military operations in terms of money, troops, equipment and supplies would be shared more equitably.

We are pleased to note that the Security Council has recently requested members to notify the Secretary General of what types of forces, equipment and facilities they could make available on short notice. However, at most we see this as a first step in developing standby arrangements for performing peace enforcement missions.

We see no insuperable problems in establishing either type of U.N. standby force urged by the Secretary General.

* * * * *

"FINAL DECISION" AS TO USE

President Bush, in his remarks of September 21, 1992 to the U.N. after welcoming the call of the Secretary General for trained military units available on short notice, said states must retain the "final decision" on the use of such troops. Speaking for the U.S. he was conceivably referring to the President's constitutional powers as commander in chief of U.S. forces. As Robert Turner concluded in a prepared statement for the Senate Committee on Foreign Relations, it would seem clear that while the President may delegate some of his military responsibilities, he is not constitutionally empowered to transfer irrevocably the command of U.S. forces. Consequently, he retains the power to recall U.S. forces.

In any event, any state could both in making peace enforcement units available now and in entering into any agreement under Article 43 expressly reserve the right to recall such troops. For the United States, this approach has a belt and suspenders aspect because of the unqualified right to veto which the U.S. already has in the Security Council itself—the only body empowered to request troops and to deploy them.

Against this approach is can be argued that the right to recall troops could tend to undermine the success of any operation. Until nations are prepared to waive that right this possibility is inevitable. However, the likelihood of its being exercised often would seem relatively small.

APPROVALS PRIOR TO USE OR DEPLOYMENT

In his September 21 remarks to the United Nations, President Bush also said that such troops should be available "with the approval of the governments providing them."

To require such prior approval each time forces are requested and developed, whether for peace enforcement, peacekeeping or as Article 43 forces, is, it would appear, one of the major causes of the situation today of protracted delays built into the system before troops can even be made available.

We believe in the U.S. it is possible to reconcile the need for speed deploying or stationing such forces when required with the stated need for approval by governments.

(A) ARTICLE 43 TROOPS

As to Presidential approval, each time Article 43 troops are requested the President of the United States would have to approve the request for their deployment and any decision as to their use. Both require a decision by the Security Council in which the U.S. through its president has a veto.

* * * * *

THE WAR POWERS RESOLUTION

In the U.S. the War Powers Resolution provides in effect that authorization from Congress is required to introduce U.S. forces into "hostilities." The passage of the War Powers Resolution in 1973 later in time than UNPA means that it supersedes it to the extent they are inconsistent. Whatever one's views on the viability or constitutionality of the War Powers Resolution in whole or in part may be, Section 6 of the UNPA itself probably constitutes the Congressional authorization required by the War Powers Resolution when it states that "the President shall not be deemed to require the authorization of Congress." Further, a joint resolution approving an Article 43 agreement would presumably supersede any inconsistent provision of the War Powers Resolution. However, as Professor Louis Henkin has suggested, for the avoidance of doubt it would be advisable, when Congress approves an Article 43 agreement between the U.S. and the Security Council, that Congress reaffirm the President's authority to make U.S. forces

covered by the agreement available without new authorization from Congress—unless there were to be a drastic overhaul or repeal of the War Powers Resolution.

As to cost, in the order of things the time has come when the costs involved should be viewed in much the same way as the necessary cost of the policeman on the block. To allow cost to stand in the way of effective peacemaking, peace enforcement and peacekeeping is self defeating when one considers the comparative costs in lives and treasure of wars and their aftermath. Further, it could often run counter to a primary security interest of the United States: maintaining world peace. In this connection we support the suggestion that the costs of U.S. forces be shifted from the State Department of the Department of Defense.

In short, a well-trained, combat-ready standby U.N. military force is an idea whose time is overdue. We urge its implementation, in a manner which eliminates counterproductive delays once the Security Council has decided to take military measures.

Sincerely,

JOHN D. FEERICK,
President of the Association of the Bar of the City of New York.

ADMINISTRATION DESERVES CREDIT IN GUATEMALA

Mr. PELL. Mr. President, there has been a truly remarkable turn of events in Guatemala. Just 2 weeks ago, President Jorge Serrano disbanded Congress, the Supreme Court, the Constitutional Court and the Human Rights Ombudsman. In response to strong domestic and international opposition to his antidemocratic actions, President Serrano was forced to resign 1 week later. In a surprising outcome, Ramiro de Leon Carpio, who had served as the Human Rights Ombudsman and was perceived to be a serious threat to the Serrano government, was chosen by the Congress to be President.

During these 2 weeks of uncertainty and tension, the Clinton administration aided the negotiations by standing resolutely behind the principles of democracy and human rights. I commend President Clinton for responding quickly and appropriately by issuing a strong statement condemning the measures, suspending all assistance except for humanitarian aid, and threatening further economic sanctions. The administration also should be recognized for working closely with the Organization of American States and supporting its critical role in demonstrating the international community's resolve to restore democracy to Guatemala.

I extend my sincere congratulations and best wishes to President de Leon Carpio. He is a man of integrity who has strived to promote human rights. He has taken on an enormous challenge. As the government official who once presented the greatest challenge to the armed forces, he must now work to assert greater civilian control over the military and encourage respect for human rights within the armed forces. He also has a tremendous opportunity to demonstrate his government's commitment to human rights by declaring that disappearances, torture and killings will no longer be tolerated and human rights violators will be prosecuted. And, most importantly, President de Leon can work to reignite the peace talks and bring a negotiated settlement to Guatemala's 32-year-old internal conflict that has claimed the lives of more than 100,000 Guatemalans.

Mr. President, I commend the Guatemalan people, the Clinton administration and the international community for demonstrating their commitment to democracy. As we celebrate a new beginning in Guatemala, however, we must remember that the battle for human rights and democracy is not over and that the international community must continue to promote these important issues in Guatemala and elsewhere in the region.

ELECTIONS IN CAMBODIA: IMPLICATIONS FOR PEACE

Mr. PELL. Mr. President, the Cambodian people have successfully held an election that promises to put an end to their suffering after two decades of bitter civil war. Eighty-eight percent of the people of Cambodia voted from May 23 to May 28. No matter which party they voted for, most Cambodians claim that they voted for peace.

Yasushi Akashi, the Secretary-General's Special Representative for Cambodia declared the elections to be "free and fair." He, and the United Nations Transitional Authority [UNTAC] mission, deserve great commendation for helping to register the Cambodian populace and helping to create an environment where elections were possible despite opposition from the Khmer Rouge. The U.N. presence was essential to the process.

The opposition party, the United National Front for an Independent, Neutral, Peaceful and Cooperative Cambodia [FUNDCINPEC], headed by Prince Norodom Sihanouk's son, Prince Norodom Ranariddh, with 58 percent of the vote, won the largest share of seats in a new constituent assembly. The Phnom Penh-based State of Cambodia garnered the second largest block of voters with 52 percent. The newly-elected constituent assembly will now meet to form a new constitution and new government.

Despite the election's success, neither peace nor democracy is yet assured in that tortured land. The Khmer Rouge, who refused to participate in the elections and actively attempted to sabotage the process by attacking Cambodians and their U.N. guardians have not given up efforts, both overtly and covertly, to undermine the political system. The State of Cambodia, which tried to undermine the electoral process even while participating in it, has threatened to reject the results, despite receiving an almost equal share of the ballots. Clearly, the U.N. task has not yet been completed.

It is of utmost importance that the Khmer Rouge be barred from joining the new government because of their nonparticipation in the election and their acts of terrorism during the campaign period preceding the election. A new Cambodian Government should be given a fresh start, without the bloody hands of the Khmer Rouge threatening the new democracy before it can fully establish itself.

To ensure this objective, the world community must continue to maintain an international presence in Cambodia to help reconstruct and rehabilitate the country while maintaining a peaceful environment. The United Nation's mandate must now change to one of monitoring and assisting Cambodia's fledgling democracy. One proposal that has been made in this interim period which could be beneficial is the temporary employment or payment by the United Nations of those bureaucrats and militia previously employed by the State of Cambodia, so that they will not be tempted to destabilize the situation in this critical time for Cambodia's emerging democracy.

With continued international presence and support, the Cambodian people will be able to establish a strong democracy that will prevent their country from ever again turning into a killing field. We cannot abandon Cambodia after it has only taken its first fragile step towards peace and democracy. American policy should continue to back strongly the U.N. presence in Cambodia.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent tht the order for the quorum call be rescinded.

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

CONGRESSIONAL SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

The Senate continued with the consideration of the bill.

VOTE ON CLOTURE MOTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the cloture vote occur at 6:45 p.m. today and the the mandatory live quorum as required under rule XXII be waived with respect to this cloture vote. I further ask unanimous consent that second-degree amendments may be filed until 6:45 p.m. today.

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

Mr. MITCHELL. Mr. President, Senators, therefore, should now be aware that a vote will occur in just under 30 minutes from now at 6:45 p.m. The vote will be on cloture on the pending bill. That vote originally was scheduled to occur under the rule tomorrow morning. In order to accommodate the schedules of several Senators who have indicated they have other commitments tomorrow morning, I have agreed to move the vote up to 6:45 p.m. and we will proceed with the vote at that time.

We have been discussing further provisions of an agreement governing disposition of the pending bill thereafter, and I will momentarily seek an additional unanimous-consent agreement to that effect.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CLOTURE MOTION

Mr. MITCHELL. Mr. President, I send to the clerk a cloture motion on the Mitchell-Ford-Boren substitute amendment to S. 3.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Mitchell-Ford-Boren amendment No. 366 to S. 3, the Congressional Spending Limit and Election Reform Act:

David L. Boren, Carl Levin, Wendell Ford, Dale Bumpers, Thomas Daschle, Howard Metzenbaum, Jeff Bingaman, Tom Harkin, John F. Kerry, Joseph Lieberman, Daniel Patrick Moynihan, Herb Kohl, Harris Wofford, David Pryor, Paul Simon, and Max Baucus.

Mr. MITCHELL. Mr. President, I ask unanimous consent that this cloture vote occur at 2:30 p.m. on Tuesday, June 15, and that the mandatory live quorum as required under rule XXII be waived with respect to this cloture motion.

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

CLOTURE MOTION

Mr. MITCHELL. Mr. President, I send to the desk another cloture motion on the Mitchell-Ford-Boren substitute amendment to S. 3.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Mitchell-Ford-Boren amendment No. 366 to S. 3, the Congressional Spending Limit and Election Reform Act:

David L. Boren, Carl Levin, Wendell Ford, Dale Bumpers, Thomas Daschle, Howard Metzenbaum, Jeff Bingaman, Tom Harkin, John F. Kerry, Joseph Lieberman, Daniel Patrick Moynihan, Herb Kohl, Harris Wofford, David Pryor, Paul Simon, and Max Baucus.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the vote on this cloture motion occur on Wednesday, June 16, at a time to be determined by the majority leader, following consultation with the Republican leader, and that the mandatory quorum as required under rule XXII be waived with respect to this cloture motion.

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

ORDERS FOR MONDAY, JUNE 14, AND TUESDAY, JUNE 15

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 2:30 p.m., Monday, June 14; that following the Prayer, the Journal of proceedings be approved to date, and the time for the two leaders reserved for their use later in the day; that on Monday, the Senate meet for the sole purpose of swearing in the newly elected Senator from Texas, Mrs. KAY BAILEY HUTCHISON; further that on Monday, Senators be permitted to file first-degree amendments with relation to the cloture motions filed, until the close of business on Monday; that immediately after the swearing in is concluded, the Senate then stand adjourned until 10 a.m., Tuesday, June 15; that upon reconvening on Tuesday, June 15, the Journal of proceedings be deemed to have been approved to date; the call of the calendar waived, and no motions or resolutions come over under the rule; that the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 12:30 p.m., with Senators permitted to speak therein for up to 5 minutes each; with Senator BYRD recognized to address the Senate for 1 hour beginning at 10 a.m.; that on Tuesday, the Senate stand in recess from 12:30 p.m. to 2:15 p.m., in order to accommodate the respective party conference luncheons; and that on Tuesday, second-degree amendments may be filed until 12:30 p.m.

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

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER (Mr. HARKIN). Mr. President, I ask unanimous consent that the time between now and 6:45 be equally divided between Senator MCCONNELL and myself.

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

The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, shortly we will have a cloture vote, as the majority leader has indicated, on the underlying bill to, for the first time in history, provide taxpayer-funded elections for Congress. I certainly hope the Senate will not invoke cloture on this measure. It is a measure that should not become law. It is a proposal overwhelmingly opposed by the American people.

We have the most complete survey ever taken in American history on any issue every April 15, when the voters of our country get a chance to determine whether they want to check off a dollar of taxes they already owe—it does not even add to their tax bill; a dollar of taxes they already owe—for the only major race in the country currently paid for by the taxpayers, and that is the Presidential race.

It is interesting to note that participation in the Presidential checkoff has dropped from a high point of 29 percent in the late seventies down to 17 percent, and still is falling. Mr. President, 83 percent of American taxpayers forgo the opportunity to designate $1 of taxes they already owe for the Presidential election campaign fund. In other words, they think anything else is a better use of their dollar. They would prefer, obviously, that it be used for deficit reduction or childhood immunization, or for that matter, anything else. So we know how the American public feels about taxpayer funding of elections.

It is certainly reasonable to conclude, and surveys indicate, that the notion of extending that further, to 535 additional races, would be overwhelmingly opposed by the American people, particularly at a time when we have a $4 trillion national debt and when the President of the United States is calling upon the Congress to enact the largest tax increase in history. He is also calling upon us to set up the biggest perk for Congress in history, that is taxpayer-funded elections.

We have not yet had an opportunity to consider the Shelby amendment, which would eliminate the taxpayer funding of elections. I hope at some time in the course of this debate, a vote on the Shelby amendment will occur. If the Shelby amendment were to be approved, this bill would be dramatically improved and there would be an opportunity to reach a bipartisan compromise, to pass a very much-needed campaign reform legislation.

But the Shelby amendment has not yet been laid down. It has not had an

opportunity to be considered. And if cloture were invoked, at least in part, there is some concern that it might not meet the postcloture germaneness rule.

We do hope to reach a vote on the Shelby amendment; we do hope to have that at some time in the debate. But, in any event, at this particular juncture, it is not yet ripe for final passage.

More amendments have actually been offered by the majority side than the Republican side to date. There are a number of significant and important amendments yet to be offered on this side. And I certainly hope our colleagues will not invoke cloture on this legislation at this time.

Mr. President, I will reserve the remainder of my time, if I have any.

The PRESIDING OFFICER. Who yields time?

Mr. McCONNELL. Mr. President, I understand I have a little over 2 minutes left.

The PRESIDING OFFICER. The Senator has slightly over 2 minutes left.

Mr. McCONNELL. I yield the 2 minutes to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, last night the majority filed a cloture petition on the campaign finance reform bill that the Senate currently is debating. The majority leader, in a colloquy with the Republican floor manager, suggested that we are filibustering this bill. I must take exception to that statement and express my deep regret that this cloture petition has been filed.

Before the President presented his campaign finance reform proposal, I joined with four like-minded Republican colleagues in sending a letter to the President and the leadership outlining nine principles that we believe are essential elements of any campaign reform proposal. For the past several weeks, we have been discussing these principles with the Senator from Oklahoma, trying in a reasonable way to work out the problems that we have with this bill.

I was under the impression that those discussions were worthwhile, and we have made some progress. The Senate overwhelmingly agreed to prohibit contributions from political action committees to candidates for both the House of Representatives and the Senate. We agreed to the fallback provisions that would limit PAC contributions to both House and Senate candidates if the ban is deemed unconstitutional. We agreed to an amendment that I offered to prohibit a candidate from accepting contributions from sources outside of his or her own State, except during the 2 years prior to the date of the election. We agreed to make this bill effective upon enactment, so that we can end the troubling practices of the current system as soon as possible. And we agreed to limit the amount of money a candidate can give to his or her own campaign, thus limiting the advantages enjoyed by very rich individuals.

These are all positive amendments, steps toward achieving a good campaign finance reform bill. But there is much more to accomplish.

The majority leader stated that we have been on the bill for nearly 2 weeks. I agree that 2 weeks is a long time to spend on a single bill. Often when a bill is under consideration for such a long time it is because much of the time has been used for lengthy quorum calls. That has not been the case with this bill. We have acted on 29 amendments, 14 were approved and 15 were rejected. Clearly, a lot of work has been done on this bill, but more work is needed.

If cloture is invoked, the Senate is saying that we have spent enough time on this measure. Our work here is done, and those who are still debating and offering amendments are doing so to prevent final passage of the bill. That is not the case with this campaign finance reform legislation.

I know of several worthwhile amendments that have yet to be offered. These are constructive amendments, intended to improve this bill by closing soft money loopholes that still exist, by requiring the House and Senate to abide by the same rules with regard to the use of franked mail privileges, by encouraging candidates to raise the bulk of their funds from small contributions from their own constituents, by correcting the ambiguous severability provisions in the bill, and by providing incentives to candidates to accept spending limits without asking the taxpayers to pick up the check.

Until we have had an opportunity to address these issues, I am not prepared to vote for cloture. In fact, I am disappointed that the majority has filed cloture so prematurely. I have no interest in blocking this bill. My interest, which I have tried to make clear to the majority leader and the managers of the bill, is to help to construct a campaign finance reform bill that solves the problems of our current system.

The PRESIDING OFFICER. The majority leader is recognized for 6 minutes.

Mr. MITCHELL. Mr. President, American political campaigns are too long and too expensive. The American people know that and they want change, and the change they want is to put a cap on the amount of money that can be spent in political campaigns, amounts which are increasing by tremendous degrees with each passing election.

We are drowning in a sea of money in politics, of endless fundraising, and the American people believe that the Members of this body are responsive to the large contributors and the special interests, not to their constituents. That is what is wrong with the American political process. This bill will change that.

Our Republican colleagues do not want that change. They do not want any limits on what can be spent in political campaigns, and so they are determined, once again, to use the filibuster to prevent a vote on this bill. They do not have to vote for the bill. They do not even have to participate in the system, if it is enacted, because it is voluntary, but they do not want to let the majority view prevail. They do not want to let a vote occur.

And so, once again, as happens over and over and over and over again, Republican Members of the Senate are engaging in obstruction, engaging in delay, engaging in efforts to prevent the Senate from voting. We do not ask them to vote for the bill. We ask them to let a vote occur on the bill, and they will not let that happen.

Once again, a determined, willful band of obstructionists is preventing the Senate from acting on important legislation. From 1919 to 1972, more than 50 years, there was, on average, less than one filibuster a year in the Senate. On many occasions, a full 2-year Congress passed without a single filibuster. It was by common consent reserved for matters of grave national importance. It was not a political party tactic.

Now compare those figures with what has recently occurred. In the last Congress, there were filed in this Senate 48 motions to end filibusters, and already this year, in just the first few months of this session, there have been over 15 motions to end filibusters. It is now a party tactic, a regular tactic by Republican Senators to obstruct, to delay, to prevent, to stop the actions of this institution.

Now we are seeing filibuster in a new guise—not the unlimited debate, but the unlimited amendment. We have been on this bill for 2 weeks. More than 30 amendments have been offered, and yet we cannot get from our Republican colleagues a commitment to vote on the bill at any time, not tonight, not tomorrow, not next Monday, not next Tuesday, not next month, not next year. They say they want to offer amendments. How many? "Well, we don't know"—15, 20, 120, 420? They will not say.

The issue here is very simple: Do we want unlimited, unrestrained money in the American political system, or do we now want to call a halt and put spending limits on?

And the second issue is: Are we finally going to get a vote on this issue, or are the politics of obstruction once again going to prevail?

Our Republican colleagues have perfected the technique of filibuster, have used it as a party tactic as it has never

been used in our Nation's history. And, once again, the question is: Will the politics of obstruction prevail? Will those who are against letting the Senate work its will prevail? Or will we finally act to break the stranglehold of money on the American political system?

I urge my colleagues to vote to end this filibuster. Let us have a vote. If you do not want to vote for it, do not vote for it. And, once enacted, if you do not want to participate in the system, do not participate. But let those who want a cleaner, better system have their chance to participate in it.

CLOTURE MOTION

The PRESIDING OFFICER. All time has expired.

Under the previous order, the cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Mitchell-Ford-Boren amendment No. 366 to S. 3, the Congressional Spending Limit and Election Reform Act:

David L. Boren, Carl Levin, Wendell Ford, Dale Bumpers, Thomas Daschle, Howard Metzenbaum, Jeff Bingaman, Tom Harkin, John F. Kerry, Joseph Lieberman, Daniel Patrick Moynihan, Herb Kohl, Harris Wofford, David Pryor, Paul Simon, Max Baucus.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Mitchell-Ford-Boren amendment No. 366 to S. 3, the Congressional Spending Limit and Election Reform Act, shall be brought to a close?

The yeas and nays are required. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Nebraska [Mr. KERREY] and the Senator from Ohio [Mr. METZENBAUM] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Oregon [Mr. HATFIELD], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Virginia [Mr. WARNER] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "nay."

The PRESIDING OFFICER (Mr. LAUTENBERG). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 53, nays 41, as follows:

[Rollcall Vote No. 146 Leg.]

YEAS—53

Akaka	Feinstein	Mikulski
Baucus	Ford	Mitchell
Biden	Glenn	Moseley-Braun
Bingaman	Graham	Moynihan
Boren	Harkin	Murray
Boxer	Heflin	Nunn
Bradley	Hollings	Pell
Breaux	Inouye	Pryor
Bryan	Johnston	Reid
Bumpers	Kennedy	Riegle
Byrd	Kerry	Robb
Campbell	Kohl	Rockefeller
Conrad	Krueger	Sarbanes
Daschle	Lautenberg	Sasser
DeConcini	Leahy	Simon
Dodd	Levin	Wellstone
Dorgan	Lieberman	Wofford
Feingold	Mathews	

NAYS—41

Bennett	Exon	McCain
Bond	Faircloth	McConnell
Brown	Gorton	Nickles
Burns	Gramm	Packwood
Chafee	Grassley	Pressler
Coats	Gregg	Roth
Cochran	Hatch	Shelby
Cohen	Helms	Simpson
Coverdell	Jeffords	Smith
Craig	Kassebaum	Specter
D'Amato	Kempthorne	Stevens
Danforth	Lott	Thurmond
Dole	Lugar	Wallop
Durenberger	Mack	

NOT VOTING—6

Domenici	Kerrey	Murkowski
Hatfield	Metzenbaum	Warner

The PRESIDING OFFICER. On this vote, the yeas are 53, the nays are 41. Three-fifths of the Senators, duly chosen and sworn, not having voted in the affirmative, the motion is rejected.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business.

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

Several Senators addressed the Chair.

Mr. DECONCINI. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. I thank the Chair.

Mr. President, does the Senator from Vermont wish to speak? I will yield to him without losing my right to the floor. How much time does the Senator need?

Mr. JEFFORDS. Mr. President, I need only 2 or 3 minutes.

Mr. DECONCINI. Mr. President, I will yield to the Senator from Vermont for not more than 2 minutes under the unanimous consent that I do not lose my right to the floor.

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

The Senator from Vermont is recognized.

THE CLOTURE MOTION

Mr. JEFFORDS. Mr. President, I must say I was surprised that a cloture petition was filed yesterday afternoon. I am more surprised and dismayed to hear the majority leader try and blame this side of the aisle. There are many of us here dedicated to bringing forth good constructive reform.

Oddly enough, the filing came in the midst of conversation between Senators and staff on our side and some of the proponents of this legislation. I think we have had a productive dialog between those of us who could support campaign finance reform and the leaders on the other side of the aisle.

By no means have we come to any agreement, but I think the potential for one continues to exist. Given the good-faith effort on our side, I do not understand this effort to cut off debate.

If the majority thinks there is no possibility for compromise, fine, let us get on with it. But I am getting mixed signals. On the one hand I hear an interest in trying to reach agreement, on the other that we are engaging in a filibuster.

I am not taking part in any filibuster. I think the amendments we have seen have been thoughtful and germane. Until today, I do not think we have spent much time at all in quorum calls. Much, if not most of the time, has been spent on amendments from the Democratic side.

But what about today? Well, I can only speak for myself, but I have been waiting all day to get reactions from the majority to some amendments I have submitted. I was ready to go this afternoon, indeed have made it clear I want to offer my amendments. I did not because the managers asked me not to.

That is a perfectly fair request. Many Members and their staff are busy with the reconciliation bill, a bill driven by a very tight timeframe, that obviously must be a higher priority than this legislation.

And now, just before I came over to vote, my staff told me that one of my amendments should be acceptable with modification, with the others open for further discussion.

I do not get it. I understand the delay. But if the delay is coming from the Democratic side, where Senators are tied up with reconciliation, do not then charge that Republicans are blocking campaign finance reform. Or is it because a constructive bill removing barriers to challengers may pass.

Mr. President, I must say I am a little disturbed by this vote. It is premature in my view. As my colleagues on the other side know full well, it will fail. A number of the issues raised by me and my colleagues have yet to be debated and disposed of one way or another. Every one in this Chamber knows that until that happens, there is not apt to be a single Republican vote for cloture.

If the point of this vote is to score partisan political points, then perhaps it makes sense. If the point is to advance campaign finance reform, it makes no sense.

I will vote against cloture and urge my colleagues to do likewise.

The PRESIDING OFFICER. Under the previous unanimous-consent order the Senator from Arizona is recognized.

Mr. DECONCINI. Mr. President, I ask unanimous consent that I yield 2 minutes to the Senator from Maine without losing my right to the floor.

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

Mr. COHEN. I thank the Senator for yielding.

Mr. President, I want to join my colleague from Vermont. I must say I take exception to the notion that we are part of a small band of willful Republicans who have nothing but self-interest at stake and do not want to reflect the will of the American people. I firmly believe that were the American people given an opportunity to strike out the provisions of public funding in this measure that they would vote overwhelmingly to do so. But apparently that was not going to be allowed today, or tomorrow, or Monday, or Tuesday.

Senator DOLE has an amendment that he would like to offer. I have one.

This is not a filibuster being conducted by a group of willful public servants who want nothing but to frustrate the will of the American people. I resent that characterization. I have been working in good faith with many of my colleagues to see if we could not improve this legislation. Senator DURENBERGER has one very constructive proposal, and I hope he will be given an opportunity to present it.

So the notion that somehow this is a filibuster, I think, is erroneous. Filing cloture petitions to cut off a debate, thereby classifying this as a filibuster, I think is wrong. Not only is it premature, but it wrongly characterizes the nature of the debate here.

I hope we will be given an opportunity to offer amendments in a constructive fashion and, hopefully, we can improve this legislation. But if we are not given the opportunity, I fully intend to oppose any cloture petitions in the future.

I thank the Senator from Arizona for yielding. I have more to say, but in 2 minutes I cannot begin to express the kind of resentment I feel about being characterized as "a band of willful Republicans" trying to frustrate the will of the American people.

Mr. MITCHELL. If the Senator will yield, I would like to ask if I could get agreement from our colleagues on that side of the aisle to have a vote on final passage of this bill next Wednesday.

Mr. DOLE. All amendments will be offered?

Mr. MITCHELL. I made this offer 2 nights ago: Give us a list of amendments, and if we can have a date certain for final passage, we will be pleased to do that. We offered it Thursday night; the answer was no. We offered it Friday; no answer. We offered it Monday; no answer. We offered it Tuesday; no answer. If that is not a filibuster, I do not know what is.

I am asking this: Can we get an agreement from our Republican colleagues to have a vote on final passage on this bill next Wednesday?

Mr. DOLE. Let us think about it.

Mr. COHEN. Can we vote on——

Mr. MITCHELL. Or next Thursday?

Mr. COHEN. Can we vote on Senator SHELBY's amendment this evening?

Mr. PRESSLER. Yes. We are willing to stay and work. As far as this Senator is concerned, I would be delighted. I will vote the other way on cloture if we can have votes on all of these amendments. Let us stay tonight and work and get this done.

Mr. MITCHELL. We have been on this bill for 2 weeks. I have accommodated a large number of Senators, including Republican Senators, on not having votes for substantial periods of time, including 2 hours today to accommodate the schedule of a Republican Senator.

We have already announced that it is the last vote today, and the Senator knows that some Senators have left town; and I am not going to have a vote under those circumstances.

Mr. PRESSLER. Senator SHELBY was not recognized today, deliberately, and he had an amendment regarding public financing ready to go on which we wanted to vote. The majority leader is reluctant to have the Senate vote on the public financing issue. Can we get a vote on that issue tonight? May I ask the majority leader can we get a vote yet tonight?

Mr. MITCHELL. The answer is no. I reject the Senator's characterization of my attitude and my motive; I reject it. It is incorrect, and I have already talked to Senator SHELBY about his amendment.

I have offered repeatedly to let any amendment come up if we could get a time certain for a vote on final passage. I have been told there will be no time certain on final passage, no matter how long we go, no matter which amendments are offered.

If I am wrong in characterizing that as a filibuster, then I think it is something new in the Senate annals. I will be pleased to discuss it here.

The Republican leader said he wants to take time to consider the proposal I have just made. I respect that, and that is a reasonable request. We will wait to see what his consideration yields.

I repeat my request. What we want is a vote on final passage on this bill on Tuesday, Wednesday, or Thursday; can we have an agreement on that? We will vote on Senator SHELBY's amendment, I assure you.

Mr. PRESSLER. It is well known among the back benchers here that the majority leader and leadership on that side of the aisle do not want to vote on the Shelby amendment and will not allow a vote, and they will——

Mr. MITCHELL. I now offer to make a unanimous-consent request that if the Republican Senators will permit us to have vote on final passage, we will vote on Senator SHELBY's amendment immediately.

Mr. PRESSLER. Why do we not vote without an agreement?

Mr. MITCHELL. Let us get an agreement on final passage.

Mr. PRESSLER. Why should we have to? We are in the process of legislating here.

Mr. MITCHELL. On the very point we are discussing, I made the offer repeatedly. What the Senator wants is to be able to offer an unlimited number of amendments, including Senator SHELBY's, without ever agreeing to permit a final passage on the bill, and that is filibuster by amendment.

I have said I am prepared to accept an agreement under which we will vote on whatever amendment any Senator wants to offer provided it includes a vote on final passage on the bill.

Mr. PRESSLER. The public financing amendment is one amendment on which you will not allow a vote.

Mr. MITCHELL. That is an amendment on which we will absolutely insist on vote if we can get an agreement to vote on final passage on this bill.

Mr. DECONCINI. Mr. President, I have a statement here on Bosnia and Herzegovina. Before I do so, Mr. President, I have only been here, I say to the majority leader, 17 short years, and I daresay participated in the sense of having a vote and have been around at least 50 filibusters. Indeed, this is a filibuster. It talks like one, quacks like one, and it is one. Everybody knows that. We can pretend all we want. I have been in the minority where I tried to drag things out through amendments and not being accused of filibustering, but there is no question about this. The American public knows it.

The majority leader offered any time—any time—for a vote. Offer all the amendments you want. We have been through all of these amendments, and they can kid all they want, but a lot of people do not want this bill, and they do not want to be pegged by the American public as creating gridlock, those who do not want reform. They know the American public does not like that. That is the short end, the wrong end on campaign reform.

What are they doing? Offering amendments, and they want to put up a nice smoke screen and say: Mr. Majority Leader, you will not let us vote on this amendment.

I do not know how many we voted on—over a dozen—and the minority offered every amendment they could offer, and where are we? We are stuck. Two weeks and we cannot pass what I consider now a minimal campaign reform because it has been watered down so much—it is still better than nothing—and we cannot even vote on a minimal campaign reform bill when the majority is for it with 53 votes.

Mr. President, I do not think anybody is fooling the American public. There is a group of Senators—and they have the right, and I respect that—who do not want campaign reform, and they do not want to come up and say so. Now that we cannot get cloture, they are putting up the smoke screen.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DECONCINI. I thank the Chair.

(The remarks of Mr. DECONCINI pertaining to the submission of Senate Resolution 116 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. DECONCINI. I yield the floor and thank the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, what is the situation with the floor? Is it morning business?

The PRESIDING OFFICER. We are in morning business.

CAMPAIGN FINANCING

Mr. SIMPSON. Mr. President, I will go forward without changing the pattern of legislative flow.

Let me just say that I have listened with great interest to the debate, and I though the remarks of my friend from Maine were so succinct, so appropriate, as is his wont. And then my friend from Arizona has been here as I have watched the noble art of filibuster. It is an interesting procedure that protects a minority. It will never change. It is important that it not change.

But may I just suggest that we be absolutely candid and honest with the American people about what is going on here with this legislation?

The American people do not want to pay for our elections It is called taxpayer financing, public financing, of congressional races. They do not want that. And if we vote on it, they will not get that.

They do not want soft money. They do not want political action committees. They know the absolute influence of political action committees. And, of course, now on the other end of this building, PAC's are mother's milk. And all you do when you reside on that end of the building and you are in the majority, I think some of them perhaps have a separate staff person to simply check the box of whoever might be at the door, saying: You will remember this person; they maxed out on your first primary. They maxed out in your general. They maxed with you for 10 years, or 6, or whatever. And they stockpiled their money over there to drive off any challengers.

That is the way it works.

I think it is appropriate to look at the Washington Post of this morning, June 10. Right at the top of the page, it says "Democrats Court PAC's They Criticize. Dinner Donors Still Get High-Level Access."

What hypocrisy. What absolute hypocrisy.

And then, of course, there are those who just hate PAC's. They will go to a corporation and get the list of the employees who have contributed to PAC's, and they will say publicly, "I do not take PAC money." Then there will be great violin music in the background, and hosannas and drums and cries of great allegiance.

What they do is they pick up the list of those who contributed to the political action committee. They contact those people individually. They say: "Don't give your $50 to the PAC anymore. Here I am. I do not take PAC money. I will take yours."

What hypocrisy.

Then let us look just swiftly at what has happened with regard to time on this bill. Today we had an exercise which was solely contrived to prevent a vote on the Shelby amendment—totally contrived. We did nothing this afternoon because the heat was on and we were getting close to an amendment that very few on that side of the aisle want to be involved in.

But we had 17 Democratic amendments and 16 Republican amendments. The Democrats have used the sum or the time of 18 hours. The Republicans have used 13 hours. What is the delay about that?

In fact, the first 2 days of the debate, or at least in the early part of the debate, the Democrat amendments were coming before us one after another. Now we have ours. They have had 17. We have had 16. They have had 18 hours. We have had 13 hours. And we are going to keep presenting amendments.

But let me tell you what is happening. Go look at the CONGRESSIONAL RECORD, and you will find that many on this side of the aisle are taking a powder on some of these votes. They do not want to go home and talk about this stuff. Go look at the votes: 46–44. Where were 10 of the Members in the middle of the week? Here is one, 47–44. Where were nine Members in the middle of the week? This is when we do our business. Here is one, 32–60. Where were eight Members, there? Here is one, 26–53. And we are here to do the Nation's business. Here is one, 47–45.

Why are many on that side of the aisle just choosing to hide out somewhere in this cavernous building? The reason is quite obvious: They do not dare go back to the American public with this bill the way it will come out of this Senate.

They are terrified. And the biggest part of it is when the people of America find out the Democrats believe you should continue to have political action committees and play this game of sophisticated yo-yo, or we will kill it here and then they will erect it over there.

And there is a fine group of our people who will not allow this bill to go forward if it is different in the House and different in the Senate. How stupid and absurd it would be to do a campaign finance reform bill and find it is totally different or significantly different in the House than it is in the Senate. That is absolute hypocrisy.

I just wanted to call attention to these issues. Maybe we will have to file a cloture motion to get a vote on the Shelby amendment, the Shelby-Dole or Shelby-McConnell, whatever that may be. We respect those who are involved in that amendment because they are right at the heart, right at the gut, of this bill.

So if we are looking at a filibuster by amendment, you had that this afternoon.

So perhaps as we file this flurry of cloture motions, we will file one on the Shelby-McConnell amendment and see where that one goes. I think we all know where it would go. Unless, of course, there is a tremendous exercise which will be accompanied by crashing limbs, arms jerked from their sockets, popping necks, and a great exercise of seeing who will fall in line as soon as possible after that particular exercise.

So we are ready to go on the important amendments. We think we are entitled to have those, and we will have those because the rules of the Senate will allow us to have those.

I thank the Chair.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

CAMPAIGN FINANCE REFORM

Mr. COHEN. Mr. President, if I could just follow up for a few moments on the subject raised by me and others and just addressed by my colleague from Wyoming.

I might say to the Chair and to Members who are remaining, though few, that I can live with virtually any bill that is passed on campaign finance reform. Whatever is passed by this Chamber or the other Chamber I do not believe will affect my future in the State of Maine one way or the other. I feel reasonably confident that the people that I have represented over the past 20 years know me as well as they are going to know me, and will either approve of what I do or disapprove. Nothing that we do here is going to change that.

So if I were only going to act out of my own self-interest, I would simply say, "Pass whatever bill it is you want. It does not matter to me. It will have no impact."

I will run the next time when I am up again in 1996 and this bill will have marginal, if any, impact. The limits will be high enough. It will not be any less than what I have been able to raise in the past. The ban on PAC's will make no difference because it will ultimately be individual contributions instead of political action committees. So I can live with whatever is passed.

I do have a concern, however, in terms of what impact this may have on future challengers in other States. My situation in Maine and that of the majority leader is quite different, perhaps, than a challenger who was just elected in the State of Texas or in any other State in which a challenger must raise substantial sums in order to compete against those of us who have had the advantage of holding office and all of the privileges that go with that office—mailing privileges, various ways to communicate through television, weekly and perhaps biweekly programs, television and radio.

So my hesitation to simply set a time limit, a date certain without regard to the number of amendments that may be offered, really reflects my concern for others who will follow us who will want the opportunity to run sometime in the future from Maine or indeed from other States across the country.

I, too, was struck by the article that appeared in today's Washington Post, a large headlined story about those who were most critical of political action committees rushing down to hold out their hands, if not openly, at least behind their backs, to take political action committee money. It struck me as being inconsistent, if not hypocritical, but, nonetheless, the position that it is the system; we are just taking advantage of the system; the devil makes us do this.

Anyone can stop taking PAC money now voluntarily. No one is compelling any Member to do that.

It reminds me a little bit of one of the confessions of St. Augustine, where he said, "Dear Lord, give me chastity, but not just yet."

And it seems to me many of the Members are saying, "Dear Lord, let us ban PAC's, or let us set limits, but not just yet."

We have to abide by the system as it is, and, of course, we all know that we can change that.

I relate to you, Mr. President, an incident which caught my attention. This week, I intended to join with Senator DOMENICI to offer an amendment which would give a priority to in-State contributors over out-of-State contributors. One of the arguments made is that we are all running around the country not doing our business, collecting large sums of money in which to seek reelection, in which to come back and start the process over again.

I think we are all aware that we spend time visiting other States. I myself have done so.

And when it became known that I was going to support Senator DOMINICI in an effort to place a priority on raising funds in State versus out of State, it was interesting, a call came to my staff saying, "Gee, we thought your Senator ought to know that he, too, has raised substantial money out of State in his past campaigns."

Indeed, I have. But if we are going to have reform, I am prepared to say, "No more."

And yet the implication was, do not get up and raise this amendment to improve the system because you, too, have been traveling out of State, be it to New York or Boston or Florida or California or Chicago, wherever one might go and I myself have gone.

I am prepared to say, "Let us not do that any more. Let us put a prohibition or at least some kind of restriction upon the ability to do that."

But, right away, someone wanted to imply that they were going to attack my past record. My record is a matter of public record, and I do not have any qualms about making it public tonight.

There are a lot of games being played in this Chamber and, I suspect, in the other one as well. And that is why I took such great offense at the notion that somehow I, as a Member of the Republican side of the aisle, was somehow engaged in a lengthy filibuster.

We are talking about the fundamental reform of our campaign finance system. I recall when S. 2 was first introduced a couple of years ago, there were attempts made to intimidate me, to influence my vote, by running large advertisements with pictures of Archibald Cox—a man who is revered by many throughout this country—with a caption that said: "Senator COHEN, stop supporting corruption in Washington." I recall taking great offense at that time, as I do tonight.

We are trying to reform a system which has great implications for our political system. And to the extent it takes 2 weeks, I do not think that is too long. As long as the Members are offering amendments in good faith that are relevant to this bill and are not simply frivolous. If the amendments are not germane, then you can talk about cutting off debate. When you are talking about something as fundamental as the way in which we finance these campaigns, when you are talking about whether or not we should call upon the American taxpayer to start subsidizing our campaigns, I think that takes some time.

When the time comes to talk about whether you should have more in-State or out-of-State contributions, that should take some time, because I know there will be many Members who will say, "We are from a small State." "We are from a poor State." "We are from a State that is predominantly Republican" or "a State that is predominantly Democratic." Or, "We cannot raise money in State; we have to go out of State."

There are many legitimate arguments that could be made. That is something I think we have to discuss. That is not something offered in a way to simply frustrate the will of the majority. It is something that I think is inherent in the debate itself.

Senator JEFFORDS, Senator MCCAIN, Senator CHAFEE, Senator DURENBERGER, myself and others, have been engaged in, I think, constructive negotiations to try to reach an accommodation, a compromise that will strike a balance between the parties. I do not enjoy having that characterized as being somehow a part of an overall larger effort directly to frustrate the will of the majority.

I have not in any way had a conversation with the Senator from Kentucky—who is managing on our behalf—in terms of whether or not I have unlimited amendments. I have a couple. I do not know what the other Members have.

But I dare say there are still a number of constructive proposals that we have to offer. And I would not like to see them terminated prematurely or have the leadership determine, "Well, we failed to invoke cloture. I will take one vote today. I will take another one on Tuesday and I will take another one Wednesday. That is it. The Republicans are at fault."

This is something that requires some deliberation. We are supposed to be the world's greatest deliberative body. We may be the longest debating body. But, nonetheless, this is an institution which has taken pride, over the years, in its ability, in the opportunity to ventilate major issues. I consider this to be a major issue.

The American people are rightfully concerned about the high cost of campaigns. They are rightfully concerned about how we raise money and from whom we raise money and whether or not it is accurately reported—hard money and soft money. All of those issues are terribly important and no one party has a corner of morality on this issue. And the notion that this particular measure somehow really reflects the overwhelming vote of the majority of the American people I think is not quite accurate.

So I hope when we come back to debate, hopefully on Tuesday, that we be given an opportunity to offer other amendments, and that we do so in a spirit of cooperativeness and not have our motives challenged or criticized or an attempt made to cut our amendments off. Because I can see right now what the politics are.

Admittedly there are some Members on this side of the aisle who want no bill. I think that is very clear. I might say there are some Members on the other side who would like no bill but would like to have the Republicans bear the responsibility for terminating it.

It is also clear to me that the House of Representatives is not going to be eager, indeed if at all willing, to accept the requirement—and this is fundamental—that both Houses of Congress be treated equally.

We cannot ban PAC's in the Senate but say they are OK for the House. You cannot have one side of the institution under the taint—or at least the perception—of corruption, and the other be free. That will not work. That will not be acceptable.

So we understand that the House is not going to be eager, or perhaps willing to accept these provisions. But we think they are fundamental. As a matter of fact, I have joined with several of my colleagues to indicate, unless those nine elements were involved, that I would not be willing to support this kind of reform effort under any circumstances. And I would repeat that here again today.

There is some danger in saying that. If in fact you lay down the gauntlet and say we will not accept any provision which is inconsistent with what we have agreed in this body, then you, by the very nature of that, have invited them to do that because there are many Members in the House who do not want a campaign finance reform that really goes to the heart of the system. So they will add provisions which they know will not be acceptable by this body and therefore the bill will die.

So I repeat, Mr. President, that I am again prepared to work with my friend from Oklahoma. Several of us on this side of the aisle, maybe more than just several, are willing to try to find an acceptable compromise that will achieve the mutual goals we seek. But I do not wish to see these efforts undermined by the characterization that somehow they are designed in any way to delay this bill unnecessarily.

I think 2 weeks is not a long time to debate this. I think 3 weeks is not even a long time to debate it. I do not think there is any magical time limit we can place on this.

What I do think is important is that we listen to the amendments. We will know intuitively whether or not they are frivolous, whether they are simply designed to stall. If that is the case I think the majority leader would be right in bringing that to the attention of the American people and condemning it. That is his privilege, to do so. But I do not think there have been many frivolous amendments offered.

As I listened to the calculation of who has offered the most amendments, it seems to me the Democratic majority has offered more than the Republicans. The Democratic majority has had more time to debate than the Republicans. So I think as we proceed we ought to proceed in an even-handed fashion and I think we do have some constructive amendments to offer.

I cannot speak for my colleagues as to whether or not there should be a time limitation, a date and a time certain for a final vote. I do not know what their amendments might be. They might have some very positive, constructive amendments to offer. So we should take the time to try to determine that over the weekend, perhaps by Monday or Tuesday.

But I just hope the rhetoric will not soar to such heights that once again this side of the aisle will be condemned for its negativism, its obstructionism, its willingness to engage in hit-and-run activities, ambush legislation, delay it, do anything we can to kill it.

That is not the spirit in which I proceed on this issue. I hope we can make some progress over the weekend and into the following week.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I thank my colleague from Maine. I apologize to him but I did not hear the beginning of his remarks. I heard just the last few things he said.

Le me assure him, No. 1, that as manager of the bill I appreciate his input in particular. He has been a part of our negotiations. We have been discussing various amendments. He has been on the floor debating some of the amendments that indeed have been accepted and supported on this side of the aisle, as has Senator JEFFORDS, Senator CHAFEE—who I remember offered one of those amendments that was accepted on this side of the aisle that went to one of the points, I believe, in the letter that was sent to us. Senator MCCAIN and Senator DURENBERGER, among others, have been very, very constructive in their suggestions. The letter which they sent to us was constructive. It included very serious points, very worthy of consideration. And I want to assure my colleague from Maine that is the spirit in which those suggestions have been received.

We have worked through some of the amendments, we will continue to work through others. I talked to Senator JEFFORDS today about his disclosure of independent expenditures and advance notice on some of those expenditures. We are trying to work out that amendment. We have made progress on at least one of these three amendments. I think it is virtually in shape to be accepted. We were not able to get to it today but, as I indicated to him, it was one at least we were able to accept and the other two, we are going to see if we cannot work them into such shape that we can.

I just want to explain that the frustrations experienced by the majority leader—and I think all of us watch the burdens on our leaders on both sides in this institution—are extreme; trying to get the business of the Senate done and accommodate the schedules of 100 people and all of the other considerations are very, very difficult. We all know that hopefully, at least, the budget reconciliation bill will soon be ready to come to the floor, a very major decision for the country; the supplemental appropriations bill, as I understand it, is now ready to come to the floor. It has been completed on a bipartisan basis, I might say, happily, by the Appropriations Committee.

So there are many things pressing upon the leadership in terms of the schedule. I had suggested to the distinguished Republican leader on this bill, the Senator from Kentucky, that we try to get a list of amendments on both sides. We put out a hotline that we request the list of all the amendments. Then we could sit down and do exactly what the Senator from Maine said, and that is see how many there are, see the nature and complexity of them, try to determine what a fair amount of time would be so we could really have a fair discussion of them. Maybe there are 10 amendments and maybe it would take 2 days of debate to debate them; maybe there are 20 and maybe that will take 4 days. But once we got that list we could determine that.

As the majority leader said today, he simply feels the need to get a time certain, that we aim toward final passage, and a agreement that the majority, whatever the majority is, will vote on some of these amendments. And that could well determine the outcome of the bill in terms of whether it would pass or not. But that the majority would be able to work its will when we are through with the amendment process, whatever the majority is at that time. It could be some amendments might be accepted that would shift the outcome of this bill. We do not know. We do not know the outcome of these amendments. But so far we have been frustrated in the attempt to either get a solid endeavor to get a list of the amendments on the other side of the aisle and then some time certain by which we could debate them.

So I want to repeat to my colleague from Maine, I have discussed this again with the majority leader. He extended his offer—he assures me it is a very serious offer—to the minority leader tonight, to say if the minority leader would take under advisement his request that we set some time certain for final passage, that he will accommodate every single amendment that people desire to offer and will accommodate sufficient time for every single one of those amendments to be seriously considered, debated, and voted upon. And that time for final passage

would be set on a date that would accommodate that kind of schedule.

So that includes all amendments. I was asked, would we allow, under that scenario, a vote on Senator SHELBY's amendment? Absolutely. It would mean not only that amendment but every amendment would have an opportunity to be considered and voted upon; then we could set a time for final passage.

In the meantime, again I just want to say to my colleague from Maine, we all operate under a great deal of pressure here.

But I want to assure him that nothing that has been said should in any way be interpreted by him as anything less than appreciation on the part of the managers. I know the majority leader upstairs just a moment ago indicated again his appreciation, not only to the Senator from Maine but from other colleagues that I mentioned just a moment ago, for their efforts that we deem are highly sincere and constructive and already, as a result of their amendments, the bill has been improved. We want to continue that process.

Mr. COHEN. Will the Senator yield?

Mr. BOREN. I will be happy to yield.

Mr. COHEN. I thank my friend from Oklahoma for his comments, and let me say with respect to the majority leader, he does have an inordinate amount of patience. Frankly, I think he has too much patience. I would not be nearly as generous in the allocation of time to accommodate the various demands of Senators. My own belief is that we should be here during the week. If for some reason we have a commitment like one of our colleagues who wanted to watch his daughter graduate from Harvard University this week, altogether appropriate, that is one of those times you just go to Harvard and take your chances, as he did because he wanted to be there to witness a special occasion.

Each of us is, from time to time, confronted with those kinds of demands upon our time. Frankly, I think that the leadership, both on our side and yours, and particularly on yours, has been more than generous in accommodating those conflicting schedules so that Members will not miss votes. I realize that his patience does, in fact, have some limits. As I indicated before, they are quite inordinate in terms of what he is able to endure and I know the level of frustration he has to suffer.

I am certain that I would not be able to endure nearly as much as he does. Therefore, I am delighted he is, at least for the period of 1993 through 1994, the majority leader. We hope to have him become the minority leader in the next session. But nonetheless, I think he does an outstanding job in trying to take into account the various demands that we place upon him. My own feeling is we should be placing far fewer demands and we should be spending a far greater amount of time legislating. That is something only we can resolve.

So I appreciate the comments of the Senator from Oklahoma.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, as always, I thank my colleague from Maine. It is always a privilege to work with him. Let me say that all of us interested in this bill, in seeing ultimate action on this bill, including action on all the amendments as well as final passage, will encourage the leaders on both sides to do so.

I hope that the majority leader, having offered a proposal that all amendments be considered, that he will be willing to spend the time on the floor as long as he knows there is light at the end of the tunnel—I can understand his feeling about that—is willing to accommodate and take up all these amendments. I hope, on the other hand, we can encourage the minority leader to work toward getting a list of all the amendments and setting some reasonable time at the end of which we will come to a close and vote.

I think that is the best way to dispose of doing this. It is the constructive way. It protects the rights of all. Everyone has a chance to have input, improve the bill and act upon it. I just hope we can be successful in that endeavor.

Hopefully, by the time we will be talking again, I am sure on Monday informally, those of us who are here, and hopefully by the time we come back into session on Tuesday, we will be able to perhaps report progress not only on that agreement but perhaps on some of the other substantive matters we are discussing.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

SET THE RECORD STRAIGHT

Mr. FORD. Mr. President, a few moments ago my counterpart on the Republican side, the Republican whip, as he does on occasion—and I enjoy him—gets a little carried away.

He asked some questions without giving any answers to them. I want to give a few answers to the questions my Republican friend asked.

He talked about the number of votes and said: "Why are many on that side of the aisle"—meaning Democrats—"just choosing to hide out somewhere in these cavernous buildings? The reason is quite obvious. They do not dare go back to the American public with this bill the way it will come out of the Senate."

We are willing to vote, and we will vote if they will give us an opportunity.

He said on one vote it was 46 to 44. Where were the 10 Members in the middle of the week? It happened to be five Republicans were absent and five Democrats. So it was an equal division. There were five Republicans missing on that particular vote.

Here is one, he said, 47 to 44. Where were nine Members in the middle of the week? Of the nine Members, six of them were Republicans and three were Democrats. One was in the hospital with a heart problem and the other was home because of a death in the family. Where were the Republicans? Where were they hiding on these amendments? And this is when our business is done.

He said, Here is one, 32 to 60. Where were eight Members there? There were five Republicans missing and only three Democrats, and we know where two of them were.

Here is one he says was 26 to 53. He talks about the middle of the week. There were 12 Democrats and 9 Republicans missing then, but that was on Friday, not in the middle of the week. You ought to get the record straight. instead of accusing us of being gone, you have more Republicans gone. Instead of saying it is in the middle of the week, the vote he gives us is on Friday.

Then he said, Here is one, 47 to 45. True, four Democrats were missing, but also four Republicans were missing. When you add them up, there were more Republicans missing than there were Democrats in those votes that he questioned the Senate about.

And why are many on that side of the aisle—let me turn around and ask him a question—why were there so many on his side of the aisle—his side of the aisle—who were not here to cast their votes? He acts like it was all Democrats and no Republicans. When you figure it up, it was more Republicans than Democrats. You ought to get your figures right. You ought to make statements correctly and the record ought to be corrected. I hope that when we develop this, the people will understand.

Where we had six Republicans and three Democrats—I think I said this earlier—we had one who was absent because of a death in the family and the other Member was in the hospital. So you could not very well expect either one of those Democrats to be here. So we only had one really missing and six Republicans.

Who is hiding out? Who is in the cavernous building? Who does not want to vote on this bill? Who will not give us a time certain? Offered them every

amendment they want to offer. Ask one thing: Final vote on final passage.

Now, I say to my counterpart on the Republican side, he has had his say, and I have had mine. Let us go back to the drawing board. Let us get the amendments. Let us look at them, see how much time it will take to debate those and set a time certain for final passage.

That is not a hard thing to do. But when you ask them yesterday about today, no. Can we vote tomorrow? No. Can we vote Monday? No. Can we vote Tuesday? No. The majority leader even a few moments ago said, well, what about Wednesday of next week? What about Thursday of next week? No answer.

I understand the Republican leader is taking the proposal under advisement, and I hope he looks at it very seriously because right now we are being prevented from going to final passage on this bill, this money chase bill that so many people would like to see passed and those on the other side, in my opinion, are obstructing.

I think the distinguished Senator from Maine made some nice remarks a few moments ago, constructive remarks. So maybe by next Monday they will have their amendments all lined up and we can put those in a package and get a time certain for a vote on final passage of this piece of legislation.

Mr. President, I hope that somewhere between now and Monday afternoon we will find the ability to come together and vote on all amendments proposed and then go to final passage.

Mr. President, so that I might not misrepresent myself I said one was in the hospital and one was out because of a death in the family. The one I thought was in the hospital was very courageous and he was here to vote; one Republican and one Democrat were at a base closing hearing in their State, so that was the reason. But it was still six Republicans missing and only three Democrats.

So I wish to correct that statement, Mr. President.

MESSAGE FROM THE HOUSE

At 2:04 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1159. An act to revise, clarify, and improve certain marine safety laws of the United States, and for other purposes.

The message also announced, that the House has agreed to the amendments of the Senate to the bill (H.R. 890) to amend the Federal Deposit Insurance Act and the Federal Credit Union Act to improve the procedures for treating unclaimed insured deposits, and for other purposes.

At 8:03 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 890. An act to amend the Federal Deposit Insurance Act to improve the procedures for treating unclaimed insured deposits, and for other purposes.

MEASURES REFERRED

The following measure was read the first and second times by unanimous consent and referred as indicated:

H.R. 1159. An act to revise, clarify, and improve certain marine safety laws of the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MEASURE PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

H.R. 2264. An act to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-905. A communication from the Chairman of the Equal Employment Opportunity Commission, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-906. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-907. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-908. A communication from the Chairman of the Board of Directors of the Panama Canal Commission, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-909. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-910. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-911. A communication from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-912. A communication from the Secretary of Energy, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-913. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992 through March 31, 1993; to the Committee on Governmental Affairs.

EC-914. A communication from the Chairman of the Thrift Depositor Protection Oversight Board and the Interim Chief Executive Officer of the Resolution Trust Corporation, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992, through March 31, 1993; to the Committee on Governmental Affairs.

EC-915. A communication from the Director of the Administrative Office of the United States Courts, transmitting, a draft of proposed legislation entitled "Federal Judgeship Act of 1993"; to the Committee on the Judiciary.

EC-916. A communication from the Acting Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a copy of D.C. Act 10-33, adopted by the Council on June 1, 1993; to the Committee on Governmental Affairs.

EC-917. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1992; to the Committee on Governmental Affairs.

EC-918. A communication from the Office of the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Review of the District of Columbia Public Schools' Capital Improvements Program"; to the Committee on Governmental Affairs.

EC-919. A communication from the Chief Operating Officer/President of the Resolution Funding Corporation, transmitting, pursuant to law, the annual report on the system of internal accounting and financial controls in effect during calendar years 1991 and 1992; to the Committee on Governmental Affairs.

EC-920. A communication from the Acting Public Printer of the Government Printing Office, transmitting, pursuant to law, the semiannual report of the Office of the Inspector General for the period October 1, 1992, through March 31, 1993; to the Committee on Governmental Affairs.

EC-921. A communication from the Architect of the Capitol, transmitting, pursuant to law, a report of all expenditures for the period October 1, 1992, through March 31, 1993; to the Committee on Appropriations.

EC-922. A communication from the Secretary of Energy, transmitting, a report on enforcement actions and comprehensive status of Exxon and stripper well oil overcharge funds; to the Committee on Energy and Natural Resources.

EC-923. A communication from the Secretary of Energy, transmitting, a report on damaged and threatened national natural landmarks for calendar year 1992; to the Committee on Energy and Natural Resources.

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REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 29. A concurrent resolution relating to the Asia Pacific Economic Cooperation Organization.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

Jean Kennedy Smith, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

Nominee: Jean Kennedy Smith.

Post: Ambassador, Republic of Ireland.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

CONTRIBUTIONS

1. Jean Kennedy Smith (see attached contribution schedule).

2. Stephen E. Smith (deceased) (see attached contribution schedule).

3. Children and Spouses:

Stephen E. Smith Jr., no contributions.

William K. Smith, no contributions.

Amanda K. Smith, no contributions.

Kym M. Smith, no contributions.

4. Parents:

Rose F. Kennedy, no contributions.

Joseph P. Kennedy (deceased), no contributions.

5. Grandparents:

Josephine Fitzgerald (deceased), no contributions.

John F. Fitzgerald (deceased), no contributions.

Mary A. Hickey Kennedy (deceased), no contributions.

Patrick J. Kennedy (deceased), no contributions.

6. Brothers and Spouses:

Joseph P. Kennedy Jr. (deceased).

John F. Kennedy (deceased).

Robert F. Kennedy (deceased), Ethel S. Kennedy—See attached contribution schedule.

Edward M. Kennedy, Victoria Reggie Kennedy—See attached contribution schedule.

7. Sisters and Spouses:

Rose Mary Kennedy, no contributions.

Kathleen K. Cavendish (deceased), no contributions.

Eunice K. Shriver—R. Sargent Shriver—See attached contribution schedule.

Patricia K. Lawford—See attached contribution schedule.

	1989	1990	1991	1992
Contributions made by Jean Kennedy Smith:				
Harkin/President Committee				$1,000
Americans for Harkin			$1,000.00	
Harvey Sloane for Senator	$2,000			
Friends of Chris Dodd	1,000			
Dodd for Senate Committee				1,000
Sanford for Senate		1,000		
Simon for Senate		1,000		
Re-elect Senator Pell Committee		1,000		
Harvey Gantt for Senator		1,000		
Hagen for Congress Committee				1,000
Contributions made by Stephen E. Smith:				
Harvey Sloane for Senator	2,000			
Simon for Senate	1,000	1,000		
Ohrenstein Campaign Committee	1,000			
Sanford for Senate Committee		1,000		
The Moynihan Committee		1,000		
Re-elect Senator Pell Committee		1,000		
Contributions made by Edward M. Kennedy:				
Kerry for Senate Committee	2,000			
H. Wofford for Senate			1,000.00	
Tim Hagan for Congress				1,000
John Glenn for Senate				1,000
Wyche Fowler for Senate				1,000
Contributions made by Victoria Reggie Kennedy (July, 1992 marriage):				
Wyche Fowler for Senate	NA	NA	NA	1,000
Contributions made by Ethel S. Kennedy:				
Feighan for Congress Committee	100			
Feighan for Congress Committee	150			
Citizens for Harris Wofford			500.00	
Contributions made by Patricia K. Lawford:				
Citizens for Townsend	500			
Re-elect Senator Pell		1,000		
Harvey Gantt for Senate		1,000		
Citizens for Wofford			250.00	
Clinton for President Committee				1,000
Contributions made by Sargent and Eunice K. Shriver:				
Phil Shay Country Breakfast	100			
Friends of Les Aspin	100			
Kathleen Townsend for Congress	500			
Re-elect Senator Pell		200		
Dante Fascell Campaign		150		
Pat Williams Campaign		150		
Friends of Byron Dorgan		150		
Friends of Rockefeller		200		
Re-elect Senator Pell		2,000		
Re-elect Senator Pell		500		
Friends of Les Aspin		50		
Simon for Senate		250		
Friends of Rockefeller		250		
Friends of Friend		1,000		
Friends of Friend		1,000		
Citizens for Dave Obey			100.00	
Citizens for Joe Kennedy			150.00	
Citizens for Joe Kennedy			300.00	
H. Wofford Campaign			701.50	
John Glenn Campaign			250.00	
H. Wofford for Senator			1,000.00	
Sanford for Senate			150.00	
Hoyer for Congress Committee			200.00	
H. Wofford Campaign			225.43	
Tsongas for President				25
Sanford for Senate				100
Dave Obey for Congress				50
Tsongas Committee				500
Tsongas for President				500
Citizens for Wofford				1,000
Carlin for Congress				1,000
Chris Dodd Campaign				1,000
C.J. Dodd for Senate Committee				200
Carlin for Congress Committee				200
Carlin for Congress				750
Aspin Committee				100
Americans for Harkin				250

Peter W. Galbraith, of Vermont, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Croatia.

Nominee: Peter Woodard Galbraith.

Post: U.S. Ambassador to Croatia.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self:

$100, 1990, Atkins for Congress.

$100, 1992, Atkins for Congress.

$100, 1992, Solarz for Congress.

$250, 1992, Democratic National Committee Victory Fund '92/Federal Account.

$25, 1992, Candon for Clinton.

2. Spouse: Not applicable.

3. Children: Andrew Galbraith: None.

4. Parents:

John Kenneth Galbraith, father:

$250, 1989, Kerry for Senate in '90 Committee.

$500, 1989, Americans for Democratic Action.

$100, 1989, DeFazio for Congress.

$200, 1989, Citizens for Harkin.

$500, 1989, EarthVote.

$100, 1989, Council for a Livable World.

$100, 1990, Citizens for Harkin.

$1,000, 1990, The Re-Elect Senator Pell Committee.

$750, 1990, Americans for Democratic Action.

$500, 1990, PeacePac.

$250, 1990, Simon for Senate.

$100, 1990, Ted Muenster for U.S. Senate.

$250, 1990, The Atkins Committee.

$100, 1990, Harvey Gantt for Senate Campaign Committee.

$500, 1990, Dr. Harvey Sloan Campaign.

$100, 1991, Kraus Committee.

$500, 1991, Americans for Democratic Action.

$650, 1991, Council for a Livable World.

$100, 1991, Leahy for U.S. Senate.

$1,000, 1991, Citizens for Senator Wofford.

$1,000, 1991, Americans for Harkin.

$1,500, 1992, Economists against the Arms Race.

$1,000, 1992, Americans for Democratic Action.

$100, 1992, Braun for U.S. Senate.

$100, 1992, John Rauh for U.S. Senate.

$200, 1992, Barbara Hildt for Congress.

$950, 1993, Americans for Democratic Action.

Catherine Atwater Galbraith, mother:

$200, 1989, Committee to Elect Liz Holtzman.

$50, 1989, Campaign for Choice.

$350, 1991, Americans for Harkin.

$50, 1991, Liz Holtzman for Senate.

$100, 1992, Americans for Harkin.

$25, 1992, League of Conservation Voters.

$50, 1992, Carol Mosley Braun for Senate.

$1,000, 1992, Arkansas Democratic Party Victory '92.

5. Grandparents: Deceased.

6. Brothers and spouses:

Alan Galbraith, brother:

$500, 1991, Citizens for Senator Wofford.

$250, 1991, Wynn for Congress.

$250, 1992, Tsongas for President Campaign.

$1,000, 1992, Clinton For President Committee.

$500, 1992, Clinton/Gore Compliance Fund.

$200, 1992, Rauh for Senate.

$500, 1993, Wynn for Congress.

Sarah Galbraith, sister-in-law: $175, 1992, John Rauh for U.S. Senate.

James K. Galbraith, brother: None.

7. Sisters and spouses: Not applicable.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. PELL. Mr. President, for the Committee on Foreign Relations, I also report favorably a nomination list in the Foreign Service which was printed in full in the CONGRESSIONAL RECORD of May 28, 1993, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

By Mr. BIDEN, from the Committee on the Judiciary:

Anne Bingaman, of New Mexico, to be an Assistant Attorney General.

Lee Patrick Brown, of Texas, to be Director of National Drug Control Policy.

(The above nominations were reported with the recommendation that they be confirmed subject to the nominees' commitment to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HARKIN:

S. 1088. A bill to amend the Public Health Service Act to provide grants for the development of rural telemedicine, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DANFORTH (for himself and Mr. KOHL):

S. 1089. A bill to extend the existing suspension of duty on 6-Hydroxy-2-naphthalenesulfonic acid, and its sodium, potassium, and ammonium salts; to the Committee on Finance.

By Mr. BROWN (for himself and Mr. MCCAIN):

S. 1090. A bill to rescind unauthorized appropriations for fiscal year 1993; to the Committee on Appropriations.

By Mr. ROTH:

S. 1091. A bill to control international organized crime; to the Committee on Foreign Relations.

By Mr. PRESSLER:

S. 1092. A bill to make certain regulations, directives, and orders issued under the Federal Aviation Act of 1958 applicable to public aircraft; to the Committee on Commerce, Science, and Transportation.

By Mr. DURENBERGER (for himself, Mr. DANFORTH, and Mr. COCHRAN):

S. 1093. A bill to amend the Internal Revenue Code of 1986 to repeal the special rule for treatment of foreign trade income of a FSC attributable to military property; to the Committee on Finance.

By Mr. DASCHLE (for himself, Mr. AKAKA, Mr. CAMPBELL, Mr. DECONCINI, and Mr. KERREY):

S. 1094. A bill to amend section 1710 of title 38, United States Code, to extend the period of eligibility of certain veterans for medical care for exposure to dioxin or ionizing radiation; to the Committee on Veterans' Affairs.

By Mr. DASCHLE:

S. 1095. A bill to amend the Internal Revenue Code of 1986 to allow individuals to direct that part or all of their income tax refunds be contributed to a trust fund established for the relief of domestic and international hunger, and to establish a commission to oversee the distribution of such conditions; to the Committee on Finance.

By Mr. BINGAMAN (for himself and Mr. SIMPSON):

S. 1096. A bill to amend the Foreign Assistance Act of 1961 to establish and strengthen policies and programs for the early stabilization of world population through the global expansion of reproductive choice, and for other purposes; to the Committee on Foreign Relations.

By Mr. DOLE (for Mr. WARNER, for himself and Mr. GLENN):

S.J. Res. 101. A joint resolution to designate the week of July 25 through July 31, 1993, as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DECONCINI (for himself, Mr. D'AMATO, Mr. LIEBERMAN, Mr. BIDEN, and Mr. DOLE):

S. Res. 116. A resolution concerning the territorial integrity of Bosnia-Herzegovina; to the Committee on Foreign Relations.

By Mr. BROWN (for himself, Mr. MOYNIHAN, Mr. BOND, Mr. D'AMATO, Mr. DASCHLE, Mr. GRASSLEY, Mr. LEVIN, Mr. LIEBERMAN, Mr. DOLE, Mr. ROCKEFELLER, Mr. WOFFORD, Mr. SARBANES, Mr. SIMON, and Mr. KENNEDY):

S. Con. Res. 30. A concurrent resolution congratulating the Anti-Defamation League on the celebration of its 80th anniversary; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARKIN:

S. 1088. A bill to amend the Public Health Service Act to provide grants for the development of rural telemedicine, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

RURAL TELEMEDICINE DEVELOPMENT ACT OF 1993

Mr. HARKIN. Mr. President, today I am introducing the Rural Telemedicine Development Act of 1993. This legislation would establish three grant programs to encourage the development of telemedicine networks which could change the face of health care in rural and small-town America.

Telemedicine is revolutionary new technology that could give patients, doctors, and hospitals in rural areas and small towns instant access to other doctors, specialists, and state-of-the-art equipment located hundreds, even thousands of miles away, from any of the leading medical institutions in the State or Nation.

Using this network, a family doctor in Muscatine, IA could immediately consult with a specialist at the University of Iowa for an instant diagnosis in a life-or-death situation.

A specialist at Mercy Hospital in Des Moines could provide emergency advice and help oversee a difficult surgery taking place in Centerville, IA.

And a radiologist at Methodist Hospital in Des Moines could help examine x-rays just taken in Jefferson, IA.

This technology will have as great an impact on medicine as x-ray machines and the discovery of penicillin. And it will take rural health care into the 21st century.

Mr. President, more often than not, this technology will allow patients to stay close to home for support. For most people, one of the most traumatic times in their life is when they are sick or injured. And we should not be forcing people to leave their friends and family, who often provide the support and love they need to get well.

I am not saying there will not be times when people will have to go far away from home for treatment. Nor am I saying telemedicine will replace local doctors or the need for specialists in rural areas. But whenever possible, telemedicine will facilitate local care and provide needed relief for overworked small-town doctors and nurses.

In a way, it will also serve as a modern-day REA bill; because it will link small towns together, create jobs and help make rural communities stronger competitors for business expansion and development.

Above all, Mr. President, this bill will help ensure that people who live in small towns and rural communities have the same access to quality health care as people who live in Beverly Hills. And I say that is the way it should be.

But Mr. President, as my colleagues on the Senate Rural Health Caucus know all too well, that is not the way it is right now.

Rural America has suffered the sting of the health care crisis and experienced all the problems that go along with it. But it has cut deeper in rural America because we have many problems that cities and suburbs do not have to deal with.

For starters, many people who have coverage cannot find a doctor. It is not out of the ordinary for a person in rural America to travel many miles to see a doctor.

In the small town where I grew up, there were not any doctors, any dentists, or any nurses. The nearest hospital was 25 miles away. And if you could get an ambulance to come out, it had to travel many miles over dirt roads just to get to our town.

In a city, if a hospital closes, chances are, there is another hospital nearby that people can go to. In rural Iowa, if a health center closes, there may not be another one within many miles. This technology will make distance practically irrelevant.

In Iowa today, small towns are starving for health care professionals. With telemedicine, the smallest town can have access to any doctor or technology in America.

Eighteen Iowa counties now have no doctors who deliver babies, and an additional 14 have only 1 doctor. Imagine your wife or daughter suddenly going

into labor and having to travel two counties over just to have the baby delivered—hoping all along that the one doctor in the next county does not have the day off. Telemedicine can ensure that doctors will always be available to assist primary care physicians and other health care professionals in delivering babies.

For example, an ultrasound study conducted on a woman experiencing a difficult pregnancy in a rural community could be viewed and evaluated instantly by a doctor in another city or State.

What is more, this year over 170 Iowa communities are seeking a physician—many want more than one. But Iowa will graduate and/or import less than one quarter that number, and even less in rural areas where the need is greatest.

Mr. President, in southern Iowa, there are four rural hospitals that share one radiologist. That radiologist is stretched so thin that in some cases, he spends just a half a day each week on site. And if you happen to break your leg on a day he is not there, the hospital may be forced to admit you until he comes back—and of course, this drives costs through the roof.

But with this telemedicine network, the radiologist can serve all four hospitals at once, and access specialists all around the country who can assist diagnosis.

The same goes for MRI and CAT scans, which are often used to detect tumors. Many rural hospitals need specialists to interpret the images generated by the scanners. What often happens is that, in life or death situations, the hospital has to Fed-Ex information to experts and then wait for a response.

With this new technology, doctors can collaborate immediately and provide an instant diagnosis that can save lives and save money. In some cases, scanning could take place at a lesser equipped facility, while the processing and diagnosis takes place at a better equipped facility.

This bill will also revolutionize patient recordkeeping. Right now, if you are rushed to a hospital away from home, or transferred to another hospital, it takes time for your records and medical history to catch up with you.

But with telemedicine, all hospitals—from Kossuth County Hospital in Algona to St. Joseph's Hospital in Mason City—will be able to pull up your records instantly from your current doctor or hospital. And if you move to a new hospital, your file could follow you instantly. Of course, appropriate steps will be taken, using new technology, to ensure privacy.

Telemedicine will also make it possible for small hospitals to access specialists at larger hospitals, research and data banks, and billing and bookkeeping services.

This new technology will also help keep rural doctors up to date on the latest training and technology: Interactive video conferencing will allow doctors to participate in lectures and conferences without leaving home; electronic medical school libraries will provide access to books, journals, and graphics describing medical procedures; and digitized videos of actual operations will be available to help educate authorized medical staff and students.

As the General Services Administration said in a study of the Iowa Communications Network that will bring this technology to Iowa, "the deployment of a network such as ICN [Iowa Communications Network] could dramatically increase the opportunities for resource sharing among healthcare providers, enabling them to provide better and more accessible health care at a lower cost."

Mr. President, that is the promise of telemedicine. But it is up to us to help build a network as good in practice as in promise and bring rural health care into the 21st century.

Again, the legislation I am introducing today would establish three grant programs to encourage the development of telemedicine networks. These grants are targeted at rural telemedicine networks in varying stages of development.

The first program is designed to encourage the creation the creation of rural health care networks and the use of telecommunications technology. This program would provide seed money and allow rural hospitals and other facilities to benefit from the cost savings and access to specialists that telemedicine can provide.

The second grant program would help strengthen the link between existing rural health networks. Through telemedicine, existing networks could expand their collaboration and conduct interactive video consultation, share educational services, and achieve greater efficiency in administrative activities.

The third program would provide grants for networks of rural hospitals and other providers to link to existing fiber optic telecommunication systems. Fiber optic cables carry much more information than traditional, copper telephone wires and transmit large amounts of voice, data, and video information.

As I mentioned earlier, Iowa has developed a fiber optic system network that has tremendous potential. The Iowa Communication Network will be linked to all community colleges and universities and be present in all counties in Iowa by the fall of this year. And it could greatly expand the potential of telemedicine in rural areas.

The grants I am proposing will help health care networks harness the capability of fiber optic technology to cut costs, improve care, and save lives.

Rural hospitals today are working hard to deliver the best possible care to patients, and I believe this legislation takes a giant step in the right direction.

This technology will have as great an impact on medical science as x-ray machines and the discovery of penicillin. It will help ensure that people who live in small towns and rural communities have the same access to quality health care as people who live in Beverly Hills or Palm Beach, FL. And it will link small towns together, create jobs and help make rural communities stronger competitors for business expansion and development.

We are all waiting for health care reform, but we know that if reform is going to succeed in rural areas, doctors and hospitals must work together to serve their communities. I believe this legislation will encourage the type of cooperation and common effort that is needed.

So, I urge my colleagues to support this legislation. And I ask unanimous consent that a summary and a copy of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1088

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Telemedicine Development Act of 1993".

SEC. 2. PURPOSE.

It is the purpose of this Act to support the development of telemedicine projects that are designed to improve the delivery, accessibility and affordability of health care services to Americans living in rural areas. This act is intended to—

(1) assist rural hospitals and other rural health care providers in dealing with personnel shortages and shared staffing arrangements by providing such providers with the telecommunications technology necessary to maintain contact with itinerant staff and remote specialists;

(2) reduce the cost of care for rural patients and strengthen rural health care providers by using telecommunications technologies to permit such patients to stay in their local hospitals and to receive other health services locally whenever possible and appropriate, by reducing paperwork costs and by improving coordination and efficiency in the delivery of health care;

(3) provide rural health care providers with access, via telecommunications systems, to equipment, specialists, and continuing education programs that are otherwise generally not available in rural areas; and

(4) demonstrate the effectiveness of fiber optics telecommunication systems in improving the quality and access of health care services in rural areas.

SEC. 3. ESTABLISHMENT OF GRANT PROGRAMS.

Title XVII of the Public Health Service Act (42 U.S.C. 300u et seq.) is amended—

(1) in the title heading by striking out "AND HEALTH PROMOTION" and inserting in lieu thereof ", HEALTH PROMOTION AND TELEMEDICINE DEVELOPMENT";

(2) by inserting after the title heading the following:

"PART A—HEALTH INFORMATION AND HEALTH PROMOTION";

and

(3) by adding at the end thereof the following new part:

"PART B—TELEMEDICINE DEVELOPMENT

"SEC. 1711. GRANT PROGRAM FOR PROMOTING THE INITIAL DEVELOPMENT OF RURAL TELEMEDICINE NETWORKS.

"(a) ESTABLISHMENT.—The Secretary shall award grants to eligible entities described in section 1714(a) for the purpose of encouraging the initial development of rural telemedicine networks. Grants shall be awarded under this section to encourage the formation of rural health care networks that could benefit from the use of telecommunications technology in providing health services to rural areas.

"(b) APPLICATION.—To be eligible to receive a grant under this section an entity shall prepare and submit to the Secretary an application at such time, in such manner and containing such information as the Secretary may require, including a description of the use to which the entity will apply any amounts received under such grant.

"(c) PREFERENCE IN AWARDING GRANTS.—The Secretary shall, in awarding grant under subsection (a), give preference to applicants that—

"(1) are participants in rural health care networks or that propose to form such networks;

"(2) can demonstrate broad geographic coverage in the rural areas of the State, or States in which the applicant is located; and

"(3) propose to use Federal funds to develop plans for, or to establish, pilot telecommunications systems that will link rural hospitals and other rural health care providers to other hospitals, and health care providers.

"SEC. 1712. GRANT PROGRAM FOR THE ESTABLISHMENT OF ADVANCED RURAL TELEMEDICINE NETWORKS.

"(a) ESTABLISHMENT.—The Secretary shall award grants to rural health networks for the purpose of linking such networks together using advanced telemedicine systems. Grants shall be awarded under this section to further develop telemedicine projects initiated by these rural health care networks.

"(b) APPLICATION.—To be eligible to receive a grant under this section an entity shall prepare and submit to the Secretary an application at such time, in such manner and containing such information as the Secretary may require, including a description of the use to which the entity will apply any amounts received under such grant.

"(c) MINIMUM QUALIFICATIONS.—The Secretary may not award a grant to an applicant under subsection (a) unless—

"(1) the applicant is determined by the Secretary to include one or more rural health network; and

"(2) the applicant can demonstrate broad geographical coverage in the rural areas of the State or States in which it is located.

"(d) PREFERENCES IN AWARDING GRANTS.—The Secretary shall, in awarding grants under subsection (a), give preference to qualified applicants that—

"(1) can demonstrate that a majority of the hospitals and other providers participating in the applicant group have functioned as networks for at least 1 year prior to applying for funding under this section; and

"(2) will use amounts provided under the grant to provide a range of telecommunications applications such as teleradiology, telepathology, interactive video consultation and remote educational services and to promote areawide health planning and greater efficiency in administrative activities.

"SEC. 1713. GRANT PROGRAM FOR THE ESTABLISHMENT OF ADVANCED FIBER OPTIC BASED RURAL TELFMEDICINE NETWORKS.

"(a) ESTABLISHMENT.—The Secretary shall award grants to rural health networks for the purpose of linking these networks to existing fiber optic telecommunications systems.

"(b) APPLICATION.—To be eligible to receive a grant under this section an entity shall prepare and submit to the Secretary an application at such time, in such manner and containing such information as the Secretary may require, including a description of the use to which the entity will apply any amounts received under such grant.

"(c) MINIMUM QUALIFICATIONS.—The Secretary may not award a grant to an applicant under subsection (a) unless—

"(1) the applicant is determined by the Secretary to include one or more rural health network;

"(2) the applicant group can demonstrate broad geographical coverage in the rural areas of the State or States in which it is located; and

"(3) the applicant group will participate in an existing fiber optic telecommunications system.

"(d) PREFERENCES IN AWARDING GRANTS.—The Secretary shall, in awarding grants under subsection (a), give preference to qualified applicants that—

"(1) will use grant funds to provide a range of telecommunications applications including teleradiology, telepathology, interactive video consultation and remote educational services and to promote areawide health planning and greater efficiency in administrative activities;

"(2) demonstrate that the majority of the hospitals and other providers participating in the applicant group have functioned as networks for at least 1 year prior to applying for funding under this section; and

"(3) will participate in an existing Statewide fiber optics cable system.

"SEC. 1714. USE OF FUNDS FOR INITIAL DEVELOPMENT GRANT PROGRAMS.

"(a) ELIGIBLE ENTITIES.—Entities eligible to receive a grant under section 1711 shall include hospitals, hospital networks, and other health care providers.

"(b) USE OF AMOUNTS.—Amounts received under a grant awarded under section 1711 shall be utilized for the initial development of rural telemedicine networks, including the establishment of pilot telemedicine projects involving two or more providers. Such amounts may be used to cover the costs associated with the development of telemedicine networks and the acquisition or construction of telecommunications facilities and equipment including—

"(1) the development and acquisition through lease or purchase of computer hardware and software, audio and visual equipment, computer network equipment, telecommunications transmission facilities, telecommunications terminal equipment, interactive video equipment, data terminal equipment, and other facilities and equipment that would further the purposes authorized by this part;

"(2) the provision of technical assistance and instruction for the development and use of such programming, equipment, or facilities;

"(3) the development and acquisition of instructional programming; or

"(4) such other uses that are consistent with achieving the purposes of this part as approved by the Secretary.

"SEC. 1715. USE OF FUNDS FOR ADVANCED TELEMEDICINE GRANT PROGRAMS.

"Grants under sections 1712 and 1713 shall be available to health care networks for the development of telemedicine networks and the acquisition or construction of telecommunications facilities and equipment including—

"(1) the development and acquisition through lease or purchase of computer hardware and software, audio and visual equipment, computer network equipment, telecommunications transmission facilities, telecommunications terminal equipment, interactive video equipment, data terminal equipment, and other facilities and equipment that would further the purposes authorized by this part;

"(2) the provision of technical assistance and instruction for the development and use of such programming, equipment, or facilities;

"(3) the development and acquisition of instructional programming; or

"(4) such other uses that are consistent with achieving the purposes of this part as approved by the Secretary.

"SEC. 1716. DEFINITIONS.

"For the purposes of this part:

"(1) COMPUTER NETWORKS.—The term 'computer networks' means computer hardware and software, terminals, signal conversion equipment including both modulators and demodulators, or related devices, used to communicate with other computers to process and exchange date through a telecommunication network in which signals are generated, modified, or prepared for transmission, or received, via telecommunications terminal equipment and telecommunications transmission facilities.

"(2) DATA TERMINAL EQUIPMENT.—The term 'data terminal equipment' means equipment that converts user information into data signals for transmission, or reconverts the received data signals into user information, and is normally found on the terminal of a circuit and on the premises of the end user.

"(3) FIBER OPTIC CABLE.—The term 'fiber optic cable' means a bundle of optical transmission elements or waveguides usually consisting of a fiber core and fiber cladding that can guide a lightwave and that are incorporated into an assembly of materials that provide tensile strength and external protection.

"(4) INTERACTIVE VIDEO EQUIPMENT.—The term 'interactive video equipment' means equipment used to produce and prepare for transmission audio and visual signals from at least two distant locations in order that individuals at such locations can verbally and visually communicate with each other, and such equipment includes monitors, other display devices, cameras or other recording devices, audio pickup devices, and other related equipment.

"(5) HEALTH CARE NETWORK.—The term 'rural health care network' means a group of rural hospitals or other rural health care providers (including clinics, physicians and non-physician primary care providers) that have entered into a formal relationship with each other or with nonrural hospitals and health care providers for the propose of strengthening the delivery of health care services in rural areas or specifically to improve their patients' access to telemedicine services. At least 75 percent of hospitals and other health care providers participating in the network shall be located in rural areas.

"(6) STATEWIDE FIBER OPTIC CABLE SYSTEM.—The term 'Statewide fiber optic cable system' means a telecommunications system

that will carry voice, data, and full motion video traffic through fiber optic cable to a point of presence in every county in the State in which it is located.

"(7) TELECOMMUNICATIONS TERMINAL EQUIPMENT.—The term 'telecommunications terminal equipment' means the assembly of telecommunications equipment at the end of a circuit, normally located on the premises of the end user, that interfaces with telecommunications transmission facilities, and that is used to modify, convert, encode, or otherwise prepare signals to be transmitted via such telecommunications facilities, or that is used to modify, reconvert or carry signals received from such facilities, the purpose of which is to accomplish the goal for which the circuit was established.

"(8) TELECOMMUNICATIONS TRANSMISSION FACILITIES.—The term 'telecommunications transmission facilities' means those facilities that transmit, receive, or carry data between the telecommunications terminal equipment at each end of a telecommunications circuit or path. Such facilities include microwave antennae, relay stations and towers, other telecommunications antennae, fiber-optic cables and repeaters, coaxial cables, communication satellite ground station complexes, copper cable electronic equipment associated with telecommunications transmissions, and similar items as defined by the Secretary.

"SEC. 1717. AUTHORIZATION OF APPROPRIATIONS.

"For the purposes of carrying out this part, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1994 through 1997.".

BACKGROUND AND SUMMARY—RURAL TELEMEDICINE DEVELOPMENT ACT OF 1993

The technology of telemedicine has the potential to greatly improve health care access and quality, particularly in rural areas, as well as to improve health care education and training, while decreasing costs for travel and facilities. The purpose of this act is to support the development of telemedicine projects that are desperately needed in rural areas. The bill would improve rural health care in three ways:

1. It will assist rural health hospitals and other health care providers (doctors, rural clinics, etc.) in dealing with personnel shortages and shared staffing arrangements by providing such facilities with the telecommunications technology necessary to maintain contact with traveling staff and remote specialists. For example, a primary care doctor in a rural hospital that could not recruit a cardiologist can be backed up by a cardiologist at an urban or university hospital in the care of a heart attack victim;

2. It will reduce the cost of care for rural patients and strengthen rural hospitals and other health care providers. Telecommunications technologies will permit patients to get their care locally whenever possible and appropriate, thus reducing travel costs and utilizing often lower cost providers. It will also reduce paperwork costs and improve coordination and efficiency in the delivery of health care; and,

3. It will provide rural health care facilities and professionals with access, via telecommunications systems, to equipment, specialists, and continuing education programs that are otherwise generally not available in rural areas.

The "Rural Telemedicine Development Act of 1993" would accomplish this by establishing three grant programs to develop three levels of telemedicine projects:

1. A grant program to promote the initial development of rural telemedicine networks. These grants will provide seed funds to establish pilot telemedicine projects involving two or more facilities. Funds will be used to cover the costs associated with the development of telemedicine networks and the acquisition or construction of telecommunication facilities and equipment.

2. A grant program for the establishment of advanced rural telemedicine networks. These grants would go to networks of rural hospitals and other health care providers that have begun work on utilizing telemedicine so that they might expand their projects and get into more advanced forms of telemedicine applications.

3. A grant program for the establishment of advance fiber optic based rural telemedicine networks. Fiber optic cables can carry much more information than traditional copper telephone wires and are able to transmit large amounts of voice, data and video information. Thus, fiber optics offers advantages in the quality and range of telemedicine services that can be provided. Preference would be given projects linked to a statewide fiber optic network, thus offering the potential to link health care providers throughout a state or states.

Funds allocated under the Act will be used to cover the costs for upgrading computer networks, data terminal equipment, interactive video equipment, health care networks, statewide fiber optic cable systems, and telecommunication equipment and transmission facilities.

By Mr. DANFORTH (for himself and Mr. KOHL):

S. 1089. A bill to extend the existing suspension of duty on 6-hydroxy-2-naphthalenesulfonic acid, and its sodium, potassium, and ammonium salts; to the Committee on Finance.

DUTY SUSPENSION LEGISLATION

• Mr. DANFORTH. Mr. President, on behalf of myself and Senator KOHL, today I am introducing legislation to extend retroactively the suspension of duty for Schaeffer salt, 6-hydroxy-2-naphthalenesulfonic acid, that expired at the end of last year. Schaeffer salt is used in the production of certain food colorings and is not currently available from a domestic supplier. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1089

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF EXISTING SUSPENSION OF DUTY ON 6-HYDROXY-2-NAPHTHALENESULFONIC ACID, AND ITS SODIUM, POTASSIUM, AND AMMONIUM SALTS.

(a) IN GENERAL.—Heading 9902.10 of the Harmonized Tariff Schedule of the United States is amended by striking "12/31/92" and inserting "12/31/95".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) applies with respect to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

(2) RETROACTIVE APPLICATION TO CERTAIN ENTRIES.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any provision of law, upon proper request filed with the appropriate customs officer before the 90th day after the date of enactment of this Act, any entry, or withdrawal from warehouse for consumption, of any goods described in subheading 9902.29.10 of the Harmonized Tariff Schedule of the United States that was made—

(A) after December 31, 1992; and

(B) before the 15th day after the date of the enactment of this Act;

shall be liquidated or reliquidated as though the amendment made by subsection (a) applied to such entry or withdrawal.•

By Mr. ROTH:

S. 1091. A bill to control international organized crime; to the Committee on Foreign Relations.

THE INTERNATIONAL ORGANIZED CRIME CONTROL ACT OF 1993

Mr. ROTH. Mr. President, I rise today to introduce the International Organized Crime Control Act of 1993. This legislation is designed to help protect Americans from the new threats posed by international organized crime as we approach the 21st century.

As ranking member on the Permanent Subcommittee on Investigations, I initiated an investigation in 1991 into Asian organized crime which resulted in 5 days of hearings and the issuance of a final report in December 1992. I was fortunate to have the outstanding support and cooperation of the chairman of the subcommittee, Senator NUNN, during the course of this investigation.

The subcommittee's report concluded that there has been a substantial increase in Asian organized crime activity in the United States. Indeed, Asian organized crime groups have extended their reach to a wide array of criminal activity, much of it violent. Asian crime groups are currently active in narcotics trafficking, money laundering, alien smuggling, bribery, extortion, home invasion robberies, computer chip theft, credit card counterfeiting, and a host of other criminal activities, including murder.

As I stated repeatedly throughout our hearings on this subject, the vast majority of Asians and Asian-Americans are hard-working and law-abiding. There is, unfortunately, a seldom articulated, but widely held view that because most Asian criminal activities have historically been directed against Asians, non-Asians need not be concerned. The subcommittee emphatically rejected this point of view. All residents of the United States are entitled to protection from criminal predators, whatever their ethnicity. Moreover, the history of organized crime in the United States demonstrates that all organized criminal groups, whatever their ethnic origin, eventually extend their corrupting tentacles to the larger community as they seek more power, influence, and wealth.

Although many Asian criminal groups have been in existence for cen-

turies, and others have been active in the United States for decades, many in the United States are only now becoming familiar with Asian organized crime. While residents of America's Chinatowns have long been victimized by Asian gangs, most outsiders looked the other way. It is past time for us to focus our attention on this growing problem.

In recent weeks, for example, we have been deluged with reports of Chinese alien smuggling into the United States. On May 24, 240 Chinese aliens were dropped by a freighter beneath the Golden Gate Bridge in San Francisco. This past weekend another vessel, carrying almost 300 Chinese aliens, beached on a sandbar near Queens, NY. Tragically, several of the aliens drowned trying to swim to shore. As reported by PSI last year, these alien smuggling operations are run by international crime syndicates with operatives in Hong Kong, China, and the United States. These operations are both immensely profitable and ruthlessly exploitative.

Those smuggled are generally poor residents of China who cannot afford to pay their entire smuggling fee of up to $30,000 up front. As a result, when these aliens arrive in the United States, they often must choose between working in low wage jobs in so-called sweat shops or by committing crimes on behalf of organized street gangs with ties to the smuggling organizations. Those who refuse these options face the possibility of kidnapping or even torture. For example, on May 25 of this year, 57 Chinese aliens were found locked in a warehouse in Jersey City, NJ, where they were the captives of an alien smuggling organization. The total size of the Chinese alien smuggling industry is not easily quantified. However, one recent study included information on more than 100,000 aliens smuggled from China to the United States between 1983 and 1992, and estimated that smuggling groups are currently collecting more than $250 million per month.

The stakes are high, and criminal gangs are battling for control of this lucrative business. Two weeks ago, several members of the Fuk Ching gang died in a gun fight in Teaneck, NJ, reportedly in a dispute over control of alien smuggling profits. Last year PSI identified the Fuk Ching street gang, which is based in New York's Chinatown, as being employed as enforcers by the Fukien American Association which has been involved in alien smuggling and heroin trafficking. The New York Times reported that the leader of the Fuk Ching gang helped organize the smuggling voyage that ended tragically in New York on June 6.

My bill targets alien smuggling networks and the criminal elements who run them. Under current law, convicted alien smugglers seldom receive sentences greater than 6 months. With organized crime groups earning untold millions of dollars from this business, 6 months serves as no deterrent. My bill will require a substantial revision upward of the Federal sentencing guidelines for alien smuggling. When certain factors are present, including the smuggling of five or more aliens, or of organized crime figures, or if the offense involves dangerous or inhumane treatment of the persons smuggled, first offenders will subject to sentences of 5 years.

While alien smugglers have increasingly relied on boats in transporting smuggled aliens, they continue to send their human cargo by air as well. Earlier this year I joined with Senator SIMPSON and others in introducing the Port of Entry Inspections Improvement Act of 1993, which is designed to curb abuse of our asylum system. Smuggling organizations are exploiting serious holes in our immigration system, and I believe that legislation is an important step in plugging these holes.

The ability of organized crime to line its pockets with billions of dollars from alien smuggling should be of grave concern to us all. However, Chinese alien smuggling is only part of an even larger phenomenon: the rise of what I believe is appropriately called the new international criminal.

New international criminals thrive through exploitation of modern technological developments such as high-speed transportation, instantaneous global communications networks, and encrypted fax machines, as well as relaxed travel restrictions and the greatly increased volume of international trade. These developments have allowed, for the first time, criminal organizations based in one country to extend their operations to distant foreign shores, while maintaining much more direct influence and control than in the past. This is true not only of Asian crime groups, it is also true of crime groups based, for example, in Italy, Colombia, and Eastern Europe as well.

Unfortunately, Mr. President, PSI's final report concluded that law enforcement is not currently equipped to protect our citizens from Asian organized crime. New approaches are needed to better combat Asian organized crime and the new international criminal which Asian crime groups represent.

My bill will assist law enforcement at both the domestic and international levels. First, the International Organized Crime Control Act of 1993 will set up a mechanism to enforce sanctions against those nations who do not adequately cooperate with U.S. law enforcement efforts against organized crime. This legislation also expresses the sense of the Senate urging upgrading of the role of the United Nations in combating international organized crime. I believe there is a need for greater U.N. involvement in this area.

Second, this bill will help prevent Asian gangsters from seeking haven from prosecution. Our investigation established that Asian organized crime figures frequently seek refuge in Taiwan, due to the lack of extradition agreements between Taiwan and other nations, including the United States. This bill would amend the Taiwan Relations Act to make clear that extradition and mutual legal assistance agreements between the United States and Taiwan are permissible.

Finally, Mr. President, my bill will improve law enforcement's ability to investigate and prosecute Asian gangsters operating in the United States. Current police efforts are hampered by a lack of foreign language expertise, inadequate knowledge of Asian cultures and customs, and limited success in gathering or sharing criminal intelligence. My legislation mandates that Federal agencies report to Congress on their efforts to form task forces and hire experts dedicated to attacking Asian organized crime.

Through this comprehensive legislative package, I believe we can make inroads against Asian organized crime. We must have the foresight to prevent the spread of such criminal organizations now, lest it take decades to prosecute and eliminate them, as it has with other organized crime groups.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1091

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Organized Crime Control Act of 1993".

SEC. 2. INTERNATIONAL ORGANIZED CRIME CONTROL.

Part I of the Foreign Assistance Act of 1961 is amended by inserting after chapter 7 the following new chapter:

"CHAPTER 7A—INTERNATIONAL ORGANIZED CRIME CONTROL

"SEC. 471. INTERNATIONAL ORGANIZED CRIME CONTROL.

"(a) STATEMENT OF CONGRESSIONAL PURPOSES AND GOALS.—(1) It is the sense of the Congress that—

"(A) suppression of international organized crime is an important foreign policy objective of the United States; and

"(B) effective international cooperation is necessary to control the international activities conducted by organized criminal groups.

"(2) In order to promote such cooperation, the President is authorized to conclude agreements with other countries to facilitate control of the international operations of organized criminal groups.

"(3) In order to promote international cooperation in combating international organized crime control, it shall be the policy of the United States to use its voice and vote in multilateral development banks to promote

the development and implementation of programs for the reduction and eventual eradication of international organized crime.

"(4) Notwithstanding any other provision of law, the President is authorized to furnish assistance to any country or international organization, on such terms and conditions as he may determine, for the control of international organized crime.

"(b) MID-YEAR REPORT.—Not later than September 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a complete and detailed midyear report on the activities and operations carried out under this chapter before such date. Such midyear report shall include, but not be limited to, the status of each agreement concluded before such date with other countries to carry out the purposes of this chapter.

"(c) PARTICIPATION IN FOREIGN POLICE ACTIONS.—

"(1) PROHIBITION ON EFFECTING AN ARREST.—No officer or employee of the United States may directly effect an arrest in any foreign country as part of any foreign police action with respect to efforts to control international organized crime, notwithstanding any other provision of law.

"(2) PARTICIPATION IN ARREST ACTIONS.—Paragraph (1) does not prohibit an officer or employee of the United States, with the approval of the United States chief of mission, from being present when foreign officers are effecting an arrest or from assisting foreign officers who are effecting an arrest.

"(3) EXCEPTION FOR EXIGENT, THREATENING CIRCUMSTANCES.—Paragraph (1) does not prohibit an officer or employee from taking direct action to protect life or safety if exigent circumstances arise which are unanticipated and which pose an immediate threat to United States officers or employees, officers or employees of a foreign government, or members of the public.

"(4) EXCEPTION FOR MARITIME LAW ENFORCEMENT.—With the agreement of a foreign country, paragraph (1) does not apply with respect to maritime law enforcement operations in the territorial sea of that country.

"(5) INTERROGATIONS.—No officer or employee of the United States may interrogate or be present during the interrogation of any United States person arrested in any foreign country with respect to efforts to control international organized crime without the written consent of such person.

"(6) EXCEPTION FOR STATUS OF FORCES ARRANGEMENTS.—This subsection does not apply to the activities of the United States Armed Forces in carrying out their responsibilities under applicable Status of Forces Arrangements.

"(d) REPORTING REQUIREMENTS.—(1) Not later than March 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on United States policy to control international organized crime to establish and encourage an international strategy. This international strategy should also be designed to prosecute and eliminate organized criminal groups involved in international criminal activity, including, but not limited to, narcotics trafficking, money laundering, alien smuggling, immigration fraud, counterfeiting, extortion, robbery, bribery, theft, kidnaping or murder.

"(2)(A) Each report pursuant to this subsection shall describe the policies adopted, agreements concluded, and programs implemented by the Department of State in pursuit of its delegated responsibilities for international organized crime control, including policy development, bilateral and multilateral funding and other support for international narcotics control projects, representations of the United States Government to international organizations and agencies concerned with international organized crime control, training of foreign enforcement personnel, coordination of the international organized crime control activities of United States Government agencies, and technical assistance.

"(B) Each such report shall also describe the activities of the United States in international financial institutions to combat the entry of international organized crime into the United States.

"(C) Each such report shall describe the activities for the fiscal year just ended, for the current fiscal year, and for the next fiscal year.

"(3) Each such report shall identify those countries in which organized criminal groups with operations significantly affecting the United States are located or have a significant presence. For each such country, each report shall include the following:

"(A) A detailed status report, with such information as can be reliably obtained, on the organized criminal groups located in such country which have some membership in or extension of operations to the United States, estimating the size of group membership in such country and the United States and discussing the criminal activities being perpetrated in such country and the United States.

"(B) A description of the assistance under part I of this Act and the other kinds of United States assistance which such country received in the preceding fiscal year, which are planned for such country for the current fiscal year, and which are proposed for such country for the next fiscal year, with an analysis of the impact that the furnishing of each such kind of assistance has had or is expected to have on the control and prosecution of organized criminal groups with operations significantly affecting the United States.

"(C) A description of the plans, programs, and timetables adopted by such country for the progressive prosecution and elimination of organized criminal groups with operations significantly affecting the United States.

"(D) A discussion of the extent to which such country has cooperated with the United States organized crime control efforts through the extradition or prosecution of international organized criminals, and, where appropriate, a description of the status of negotiations with such country to negotiate a new or updated extradition treaty relating to international organized crime offenses.

"(4) Each report pursuant to this subsection shall describe the involvement of any foreign government (including any Communist government) in international organized criminal activities during the preceding fiscal year, including—

"(A) any direct or indirect involvement of such government (or any official thereof) in international organized criminal activity, including, but not limited to, narcotics trafficking, money laundering, alien smuggling, immigration fraud, counterfeiting, extortion, robbery, bribery, theft, kidnaping, or murder; and

"(B) any other activities of such government (or any official thereof) which have facilitated organized criminal activity.

"(5) Each report pursuant to this subsection shall include specific comments and recommendations by appropriate Federal agencies involved in organized crime control, including the United States Customs Service, the Drug Enforcement Administration, the Federal Bureau of Investigation and the Immigration and Naturalization Service, with respect to the degree to which countries listed in the report have cooperated fully with such agencies during the preceding year as described in subsection (h).

"(6) Each report pursuant to this subsection shall describe the United States assistance for the preceding fiscal year which was denied, pursuant to subsection (h), to each country in which organized criminal groups with operations significantly affecting the United States are located or have a significant presence.

"(e) APPROPRIATE CONSULTATIONS.—As soon as possible after the transmittal of the report required by subsection (d), the designated representatives of the President shall initiate appropriate consultations with members of the Committee on Foreign Relations of the Senate and members of the Committee on Foreign Affairs of the House of Representatives. Such consultations shall include in-person discussions by designated representatives of the President (including the Assistant Secretary of State for International Narcotics Control and appropriate representatives of the Department of Health and Human Services, the Department of the Treasury, the Department of Defense, the Department of Justice, and the Agency for International Development to review the worldwide organized crime situation and the role that United States assistance to major organized crime source countries, and United States contributions to international financial institutions, have in combating international organized crime affecting the United States. Such consultation shall include, with respect to each organized crime source country for which the President is proposing to furnish United States assistance for the next fiscal year, the furnishing of—

"(1) a description of the nature of the organized crime problem, including the names of significant criminal groups and individuals involved in organized crime activity affecting the United States; and

"(2) an analysis of the climatic, geographic, political, economic, legal, and social factors that affect the organized crime problem.

The chairman of the Committee on Foreign Relations and the chairman of the Committee on Foreign Affairs shall each cause the substance of each consultation to be printed in the Congressional Record.

"(f) COMMITTEE HEARINGS.—After consultations have been initiated pursuant to subsection (d), the Committee on Foreign Relations and the Committee on Foreign Affairs should hold a hearing to review the report submitted pursuant to subsection (d). The hearing shall be open to the public unless the committee determines, in accordance with the rules of its House, that the hearing should be closed to the public.

"(g) ANNUAL CERTIFICATION PROCEDURES.—

"(1) WITHHOLDING OF BILATERAL ASSISTANCE AND OPPOSITION TO MULTILATERAL DEVELOPMENT ASSISTANCE.—(A) Fifty percent of the United States assistance allocated each fiscal year in the report required by section 653(a) for each major organized crime source country shall be withheld from obligation and expenditure, except as provided in paragraph (2).

"(B) The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Recon-

struction and Development, the United States Executive Director of the International Development Association, the United States Executive Director of the Inter-American Development Bank, and the United States Executive Director of the Asian Development Bank to vote, on and after March 1 of each year, against any loan or other utilization of the funds of their respective institution to or for any major organized crime source country, except as provided in paragraph (2).

"(2) CERTIFICATION PROCEDURE.—(A) Subject to paragraph (4), the assistance withheld from a country pursuant to paragraph (1)(A) may be obligated and expended, and the requirement of paragraph (1)(B) to vote against multilateral development bank assistance to a country shall not apply, if the President determines and certifies to the Congress, at the time of the submission of the report required by subsection (d), that—

"(i) during the previous year the country has cooperated fully with the United States, or has taken adequate steps on its own—

"(I) in satisfying the goals agreed to in an applicable bilateral agreement or a multilateral agreement which achieves the objectives of subparagraph (B);

"(II) in satisfying the requirements for certification with regard to international narcotics control under section 481(h)(2) of this Act;

"(III) in preventing and punishing the laundering in that country of profits from international organized crime; and

"(IV) in preventing and punishing bribery and other forms of public corruption which facilitate international organized crime, or which discourage the investigation and prosecution of such acts; or

"(ii) for a country that would not otherwise qualify for certification under clause (i), the vital national interests of the United States require that the assistance withheld pursuant to paragraph (1)(A) be provided and that the United States not vote against multilateral development bank assistance for that country pursuant to paragraph (1)(B).

"(B) A bilateral agreement referred to in subparagraph (A)(i)(I) is an agreement between the United States and a foreign country in which the foreign country agrees to take specific activities, including, where applicable, efforts to—

"(i) increase cooperation with United States law enforcement officials; and

"(ii) where applicable, increase participation in extradition treaties, mutual legal assistance provisions directed at money laundering, sharing of evidence, and other initiatives for cooperative law enforcement.

"(C) A country which in the previous year was designated as a major organized crime source country may not be determined to be cooperating fully under subparagraph (A)(i) unless it has in place a bilateral agreement with the United States or a multilateral agreement which achieves the objectives of subparagraph (B).

"(D) If the President makes a certification with respect to a country pursuant to subparagraph (A)(ii), he shall include in such certification—

"(i) a full and complete description of the vital national interests placed at risk if United States bilateral assistance to that country is terminated pursuant to this subsection and multilateral development bank assistance is not provided to such country; and

"(ii) a statement weighing the risk described in clause (i) against the risks posed to the vital national interests of the United States by the failure of such country to cooperate fully with the United States in combating international organized crime or to take adequate steps to combat organized crime on its own.

"(3) MATTERS TO BE CONSIDERED.—In determining whether to make the certification required by paragraph (2) with respect to a country, the President shall consider the following:

"(A) Have the actions of the government of that country resulted in the maximum reductions in international organized crime achievable? In the case of a major organized crime source country, the President shall give foremost consideration, in determining whether to make the determination required by paragraph (2), to whether the government of that country has taken actions which have resulted in such reductions.

"(B) Has that government taken the legal and law enforcement measures to enforce in its territory, to the maximum extent possible, the elimination of international organized crime?

"(C) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, the laundering in that country of the profits of international organized crime, as evidenced by—

"(i) the enactment and enforcement by that government of laws prohibiting such conduct,

"(ii) that government entering into, and cooperating under the terms of, mutual legal assistance agreements with the United States governing (but not limited to) money laundering, and

"(iii) the degree to which that government otherwise cooperates with United States law enforcement authorities on anti-money laundering efforts?

"(D) Has that government taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, bribery and other forms of public corruption, which facilitate international organized crime, or which discourage the investigation and prosecution of such acts, as evidenced by the enactment and enforcement of laws prohibiting such conduct?

"(E) Has that government, as a matter of government policy, encouraged or facilitated international organized crime?

"(F) Does any senior official of that government engage in, encourage, or facilitate international organized crime.

"(G) Has that government investigated aggressively all cases in which any member of an agency of the United States Government engaged in enforcement activities against international organized crime, has been the victim of acts or threats of violence, inflicted by or with the complicity of any law enforcement or other officer of such country or any political subdivision thereof, and energetically sought to bring the perpetrators of such offense or offenses to justice?

"(H) Having been requested to do so by the United States Government, does that government fail to provide reasonable cooperation to lawful activities of United States enforcement agents against international organized crime?

"(I) Has that government made necessary changes in legal codes in order to enable law enforcement officials to move more effectively against international organized criminals such as new conspiracy laws and new asset seizure laws?

"(J) Has that government expeditiously processed United States extradition requests relating to international organized criminals?

"(K) Has that government refused to protect or give haven to any known international organized criminal, and has it expeditiously processed extradition requests relating to international organized criminals made by other countries?

"(4) CONGRESSIONAL REVIEW.—Paragraph (1) shall apply without regard to paragraph (2) if, within 45 days of continuous session (within the meaning of section 601(b)(1) of the International Security Assistance and Arms Export Control Act of 1976) after receipt of a certification under paragraph (2), the Congress enacts a joint resolution disapproving the determination of the President contained in such certification.

"(5) DENIAL OF ASSISTANCE FOR COUNTRIES DECERTIFIED.—If the President does not make a certification under paragraph (2) with respect to a country or the Congress enacts a joint resolution disapproving such certification, then until such time as the conditions specified in paragraph (6)(A) are satisfied—

"(A) funds may not be obligated for United States assistance for that country, and funds previously obligated for United States assistance for that country may not be expended for the purpose of providing assistance for that country; and

"(B) the requirement to vote against multilateral development bank assistance pursuant to paragraph (1)(B) shall apply with respect to that country, without regard to the date specified in that paragraph.

"(6) RECERTIFICATION.—(A) Paragraph (5) shall apply to a country until—

"(i) the President makes a certification under paragraph (2) with respect to that country, and the Congress does not enact a joint resolution under paragraph (4) disapproving the determination of the President contained in that certification; or

"(ii) the President submits at any other time a certification of the matters described in paragraph (2) with respect to such country, and the Congress enacts a joint resolution approving the determination of the President contained in that certification.

"(B)(i) Any joint resolution under this subsection shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this subsection, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"(h) DEFINITIONS.—As used in this section—

"(1) the term 'legal and law enforcement measures' means—

"(A) the enactment and implementation of laws and regulations or the implementation of existing laws and regulations to provide for the progressive prosecution and gradual elimination of organized criminal groups; and

"(B) the effective organization, staffing, equipping, funding, and activation of those governmental authorities responsible for organized crime control;

"(2) the term 'major organized crime source country' is a country in which organized criminal groups with operations significantly affecting the United States are located or have a significant presence; and

"(3) the term 'United States assistance' means assistance of any kind which is provided by grant, sale, loan, lease, credit, guar-

anty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to any foreign country, including—

"(A) assistance under this Act (including programs under title IV of chapter 2 of this part);

"(B) sales, credits, and guaranties under the Arms Export Control Act;

"(C) sales under title I or III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities;

"(D) other financing programs of the Commodity Credit Corporation for export sales of nonfood commodities; and

"(E) financing under the Export-Import Bank Act of 1945,

except that the term 'United States assistance' does not include (i) international narcotics control assistance under this chapter, (ii) disaster relief assistance (including any assistance under chapter 9 of this part), (iii) assistance which involves the provision of food or medicine, (iv) assistance for refugees, (v) assistance under the Inter-American Foundation Act, (vi) assistance from the Child Survival Fund under section 104(c)(2) of this Act, (vii) assistance for narcotics education and awareness activities under section 126(b)(2) of this Act (but any such assistance shall be subject to the prior notification procedures applicable to reprogrammings pursuant to section 634A of this Act), or (viii) activities authorized pursuant to the National Security Act of 1947 (50 U.S.C. 410 et seq.), the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.), or Executive Order No. 12333 (December 4, 1981).".

SEC. 3. EXTRADITION AND MUTUAL LEGAL ASSISTANCE WITH RESPECT TO TAIWAN.

Section 4(b) of the Taiwan Relations Act (22 U.S.C. 3303(b)) is amended by adding at the end the following new paragraph:

"(9) Nothing in this Act may be construed in any administrative or judicial proceeding as preventing the negotiation of, or entry into any agreement by, the American Institute in Taiwan regarding extradition or mutual legal assistance with respect to Taiwan.".

SEC. 4. DEATH PENALTY FOR KIDNAPPING.

Section 1201(a) of title 18, United States Code, is amended by adding at the end thereof the following: "Any person who during the commission of, in furtherance of, or while attempting to avoid apprehension for, a violation of this subsection causes the death of another person shall be punished by death or by imprisonment for life.".

SEC. 5. REPORT ON SUCCESS OF ROYAL HONG KONG POLICE RECRUITMENT.

Not later than 6 months after the date of enactment of this Act, the Attorney General, in concert with the Director of the Federal Bureau of Investigation, the Administrator of the Drug Enforcement Agency, the Commissioner of the Immigration and Naturalization Service, and the Commissioner of the Customs Service, shall report to Congress and the President on the efforts made, and the success of such efforts, to recruit and hire former Royal Hong Kong Police officers into Federal law enforcement positions. This report shall discuss any legal or administrative barriers preventing a program of adequate recruitment of former Royal Hong Kong Police officers.

SEC. 6. REPORT ON SECRET SERVICE SUCCESS AGAINST CREDIT CARD COUNTERFEITING.

Not later than 6 months after the date of enactment of this Act, the Secretary of the Treasury shall report to Congress and the President on the success of Secret Service efforts to combat credit card counterfeiting with ties to the United States region. This report shall detail the number of related warrants executed, arrests made, indictments obtained, property seized, successful prosecutions, and the trend and volume of reported counterfeit activity.

SEC. 7. LEGAL CARD CLUB CURRENCY TRANSACTION REPORTS.

Section 5312(a)(2) of title 31, United States Code, is amended—

(1) by striking "or" after the semicolon in subparagraph (X);

(2) by redesignating subparagraph (Y) as subparagraph (Z); and

(3) by inserting after subparagraph (X) the following:

"(Y) any legal gaming club where legal gambling is conducted involving a card game played for currency, check, credit, or any other thing of value which is not prohibited and made unlawful under Federal, State, or local law, except for a legal gaming club already required to file currency transaction reports under existing State laws; or".

SEC. 8. REPORTS ON TASK FORCES FOCUSED ON ASIAN ORGANIZED CRIME.

(a) ATTORNEY GENERAL.—Not later than 6 months after the date of enactment of this Act, the Attorney General shall report to the Congress and the President on the progress of efforts to create task forces dedicated to Asian organized crime.

(b) ATTORNEY GENERAL AND IMMIGRATION AND NATURALIZATION SERVICE.—Not later than 6 months after the date of enactment of this Act, the Attorney General and the Commissioner of the Immigration and Naturalization Service to report to the Congress and the President on—

(1) the status of Immigration and Naturalization Service participation in all new and existing task forces dedicated to organized crime; and

(2) the status of proposed Immigration and Naturalization Service Asian Crime Task Forces.

SEC. 9. INCREASED PENALTY FOR VISA FRAUD.

(a) FALSE STATEMENT.—Section 1542 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(b) FORGERY.—Section 1543 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(c) MISUSE OF PASSPORT.—Section 1544 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(d) SAFE CONDUCT VIOLATION.—Section 1545 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than three years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(e) FRAUD AND MISUSE OF VISAS.—Section 1546(a) of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

SEC. 10. INTERNATIONAL CARRIERS' RESPONSIBILITY.

(a) IN GENERAL.—Section 273 of the Immigration and Nationality Act (8 U.S.C. 1323) is amended—

(1) in subsection (a), by striking "(other than from foreign contiguous territory)";

(2) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively;

(3) by inserting after subsection (b) the following:

"(c) RECORDS.—The Attorney General shall maintain a record of each undocumented alien arriving on or after the date of enactment of this subsection at a United States port of entry and of the carrier which brought such alien to that port of entry.";

(5) by inserting after subsection (c) (as added by paragraph (4)), the following:

"(d) REPEAT OFFENSES.—(1) If the Attorney General determines that, during the preceding calendar year, any carrier has delivered an average of more than 0.5 undocumented aliens per arrival at United States ports of entry then, for the next calendar year, in lieu of the penalty of $3,000 specified in subsection (b), such carrier shall pay to the Commissioner a penalty of $15,000 for each alien brought in violation of subsection (a).

"(2) If the Attorney General determines that, during the preceding calendar year, any carrier has delivered an average of more than 1.5 undocumented aliens per arrival at United States ports of entry, then, for the next calendar year, in lieu of the penalties specified in subsection (b) and in paragraph (1) of this subsection, such carrier shall pay to the Commissioner a penalty of $30,000 for each alien brought in violation of subsection (a).

"(3) If the Attorney General determines that, in the preceding calendar year, any carrier has delivered an average of more than 2 undocumented aliens per arrival at United States ports of entry, then such carrier shall forfeit all landing rights in the United States for the next calendar year."; and

(6) subsection (e) (as redesignated) is amended—

(A) by inserting after "refunded," the following: "unless the alien transported is granted political asylum status in the United States or"; and

(B) by inserting before the period at the end thereof "or that the visa or other immigration documentation presented to the carrier was forged, counterfeit, altered, falsely made, stolen, or inapplicable to the alien presenting the document.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(4) shall take effect on January 1 of the second calendar year following the date of enactment of this Act.

SEC. 11. INCREASED PENALTIES FOR ALIEN SMUGGLING.

Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall promulgate guidelines, or amend existing guidelines, to provide that a defendant convicted of violating, or conspiring to violate section 1324(a) of title 8, United States Code, shall be assigned not less than offense level 25 under section 2L1.1 of the United States Sentencing Guidelines if any of the following factors exist—

(1) if the offense involved five or more aliens in a single scheme or otherwise;

(2) if the offense involved other criminal activity including, but not limited to, violations of the Controlled Substances Act, prostitution, importation of aliens for immoral purposes, trafficking in firearms, money laundering, illegal gang activities, kidnapping or ransom demands, fraudulent documents, or extortion;

(3) if the offense involves smuggling of persons under the age of 18 years for purposes of illegal adoption, or sexual or commercial exploitation;

(4) if the offense involves the smuggling of known or suspected terrorists or persons involved in organized crime;

(5) if the offense involves dangerous or inhumane treatment of the persons smuggled; and

(6) if death or serious bodily harm occurs to persons smuggled, increase by 3.

Otherwise, the base offense level shall be 13, except for an offense as described in section 1324(a)(2)(A) of title 8, United States Code.

SEC. 12. REPORT ON BETTER UTILIZATION OF THE FEDERAL BUREAU OF INVESTIGATION'S OVERSEAS OPERATIONS AGAINST INTERNATIONAL ORGANIZED CRIME.

Not later than 6 months after the date of enactment of this Act, the Attorney General, in consultation with the Director of the Federal Bureau of Investigation, shall report to the Congress on how the organized crime expertise of the Federal Bureau of Investigation and its overseas operations can be better utilized against international organized crime.

SEC. 13. SENSE OF THE SENATE REGARDING THE ROLE OF THE UNITED NATIONS IN INTERNATIONAL ORGANIZED CRIME CONTROL.

(a) FINDINGS.—The Senate finds that—

(1) international criminal activity has increased dramatically over the past decade, and has been facilitated by modern developments in transportation and communications, relaxed travel restrictions, and the greatly increased volume of international trade;

(2) the expansion of international criminal activity is reflected in the growth of requests for mutual legal assistance and extradition made by the United States to other countries and vice-versa, which increased from 535 in 1984 to 2,238 in 1992;

(3) the global reach of organized crime constitutes a serious threat to the security and stability of sovereign nations;

(4) the expanding scope of international organized crime necessitates greater cooperation among nations to prosecute and eliminate organized criminal groups;

(5) there is an urgent need for new approaches designed to allow the international law enforcement community to pursue international criminals across national boundaries;

(6) the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances has helped bring about improved international cooperation with respect to narcotics;

(7) the current role of the United Nations with respect to international organized crime is limited by the lack of a binding international convention dealing with the broad range of organized criminal activity beyond narcotics;

(8) the United Nations Commission on Crime Prevention and Criminal Justice has successfully facilitated the negotiation and implementation of mutual legal assistance and extradition treaties between certain nations, and has helped train nations to effectively execute the terms of such treaties; and

(9) the United Nations Commission on Crime Prevention and Criminal Justice currently has limited authority and resources.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the United States should encourage the development of a United Nations Convention on Organized Crime; and

(2) the United Nations should provide significant additional resources to the Commission on Crime Prevention and Criminal Justice, consider an expansion of the Commission's role and authority, and seek a cohesive approach to the international organized crime problem.

INTERNATIONAL ORGANIZED CRIME CONTROL ACT OF 1993—SECTION-BY-SECTION ANALYSIS

SEC. 1 SHORT TITLE

The Act may be cited as the International Organized Crime Control Act of 1993.

SEC. 2 INTERNATIONAL ORGANIZED CRIME CONTROL

This section creates a new chapter of the Foreign Assistance Act of 1961, which would subject all countries receiving foreign assistance to a certification procedure with respect to international organized crime control similar to that which currently exists with respect to international narcotics control (22 U.S.C. 2291). Any country which fails to meet the certification requirements established in this section is subject to withholding of assistance under the Act. This procedure is directed at those countries in which organized criminal groups with operations significantly affecting the United States are located or have a significant presence. Countries will be certified only if they have cooperated fully with the United States, or have taken adequate steps on their own to counteract international organized criminal activity.

SEC. 3 EXTRADITION AND MUTUAL LEGAL ASSISTANCE WITH RESPECT TO TAIWAN

This section amends the Taiwan Relations Act to allow for negotiation of, or entry into any agreement by, the American Institute in Taiwan regarding extradition or mutual legal assistance with respect to Taiwan.

SEC. 4 DEATH PENALTY FOR KIDNAPPING

This section amends Section 1201(a) of title 18, United States Code, to allow for punishment by death for persons who cause the death of another person in the commission of, in furtherance of, or while attempting to avoid apprehension for, the crime of kidnapping.

SEC. 5 REPORT ON SUCCESS OF ROYAL HONG KONG POLICE RECRUITMENT

This section requires the Attorney General, in concert with the Director of the FBI, the Administrator of the DEA, the Commissioner of the INS and the Commissioner of the Customs Service to report to Congress and the President on the efforts made, and the success of such efforts, to recruit and hire former Royal Hong Kong Police officers into Federal law enforcement positions.

SEC. 6 REPORT ON SECRET SERVICE SUCCESS AGAINST CREDIT CARE COUNTERFEITING

This section requires the Secretary of the Treasury to provide a detailed report to Congress and the President on the success of Secret Service efforts to combat credit card counterfeiting with ties to the United States.

SEC. 7 LEGAL CARD CLUB CURRENCY TRANSACTION REPORTS

This section amends Section 5312(a)(2) of Title 31, United States Code, to require all legal gambling clubs to file Currency Transaction Reports (CTRs) for all transactions over $10,000.

SEC. 8 REPORTS ON TASK FORCES FOCUSED ON ASIAN ORGANIZED CRIME

This section requires: The Attorney General to report to the Congress and the President on the progress of efforts to create task forces dedicated to Asian organized crime; and the Attorney General and the Commissioner of the INS to report to the Congress and the President on the status of INS participation in all new and existing task forces dedicated to organized crime as well as on the status of proposed INS Asian Crime Task Forces.

SEC. 9 INCREASED PENALTY FOR VISA FRAUD

This section amends Sections 1542 (false statement), 1543 (forgery), 1544 (misuse of passport), 1545 (safe conduct violation) and 1546(a) (fraud and misuse of visas) of Title 18, United States Code, to increase the maximum penalties for various types of immigration fraud from five years in prison to ten years in prison.

SEC. 10 INTERNATIONAL CARRIERS' RESPONSIBILITY

This section amends Section 1323 of Title 18, United States Code, to increase the penalties levied against transportation carriers who repeatedly deliver undocumented aliens to U.S. ports of entry. This section requires the Attorney General to keep records of each undocumented alien arriving at a United States port of entry and of the carrier which brought such alien to that port of entry. While this section does not change the fine per undocumented alien (currently $3000), this section allows for an increase in the fine to $15,000 per alien following a year when a carrier delivered an average of more than 0.5 undocumented aliens per arrival and an increase in the fine to $30,000 per alien following a year when a carrier delivered an average of more than 1.5 undocumented aliens per arrival. If the Attorney General determines that a carrier delivered an average of more than 2.0 undocumented aliens per arrival, all landing rights in the U.S. shall be forfeited for the next calendar year.

SEC. 11 INCREASED PENALTIES FOR ALIEN SMUGGLING

Section 204 requires the United States Sentencing Commission to promulgate guidelines, or amend existing guidelines, to provide that a defendant convicted of violating or conspiring to violate section 1324(a) of Title 8 U.S.C. be assigned not less than offense level 25 (57–71 months for first offenses up to 110–137 months for top criminal history category) of the United States Sentencing Guidelines if any of the following factors exist—

if the offense involved five or more aliens in a single scheme or otherwise; or

if the offense involved other criminal activity including, but not limited to violations of the Controlled Substances Act, prostitution, importation of aliens for immoral purposes, firearms trafficking, money laundering, illegal gang activities, kidnapping or ransom demands, fraudulent documents, or extortion; or

if the offense involves smuggling of persons under the age of 18 years for purposes of illegal adoption, or sexual or commercial exploitation; or

if the offense involved the smuggling of known or suspected terrorists or persons involved in organized crime; or

if the offense involves dangerous or inhumane treatment of the persons smuggled; or

if death or serious bodily harm occurs to persons smuggled, increase by 3 (to 28, which offers sentences of 78–97 months for first offenses, up to 140–175 months for top criminal history category).

Otherwise the base offense level shall be 13 (as opposed to current base offense level of 9; level 13 provides for 12–18 months for first offenses, up to 33–41 months for top criminal history category; level 9 provides for 4–10 months for first offenses, up to 21–27 months

for top criminal history category), except for an offense as described in section 1324(a)(2)(A) of title 8, U.S.C.

SEC. 12 REPORT ON FBI OVERSEAS ROLE AGAINST INTERNATIONAL ORGANIZED CRIME

This section requires the Attorney General, in concert with the Director of the FBI, to report to Congress and the President on how the organized crime expertise of the FBI and its overseas operations can be better utilized against international organized crime.

SEC. 13. SENSE OF THE SENATE WITH RESPECT TO UNITED NATIONS EFFORTS AGAINST INTERNATIONAL ORGANIZED CRIME

This section declares the Senate's sense that the United States should encourage the development of a United Nations Convention on Organized Crime and that the United Nations should provide additional authority and resources to the U.N. Commission on Crime Prevention and Criminal Justice.

By Mr. PRESSLER:

S. 1092. A bill to make certain regulations, directives, and orders issued under the Federal Aviation Act of 1958 applicable to public aircraft; to the Committee on Commerce, Science, and Transportation.

PUBLIC USE AIRCRAFT SAFETY ACT OF 1993

Mr. PRESSLER. Mr. President, I rise today to introduce legislation that would amend the Federal Aviation Act of 1958 to require that certain Federal Aviation Administration [FAA] regulations, airworthiness directives, and other safety orders be applicable to nonmilitary, public-use aircraft. Currently, the Federal Aviation Act does not require public-use aircraft to comply with the same safety regulations applied to civilian aircraft. Public-use aircraft, however, face the same safety concerns of civilian aircraft. We need to ensure that all aircraft—regardless of their designation—be subject to stringent and rigorous safety standards.

Public-use aircraft are defined as those aircraft used exclusively by Federal, State, or local governments. These aircraft can be either owned or hired by a governmental unit. Public-use aircraft that have not been issued airworthiness certificates by the FAA are subject to substantially fewer FAA safety regulations than civilian aircraft. Though the FAA alerts public-use aircraft operators of new safety regulations, those aircraft operators are not currently required by law to enforce those safety requirements.

My legislation would mandate that all regulations directives, and order issued for civil aircraft by the FAA relating to airworthiness, supplemental type certificates, and technical standard orders be made applicable to nonmilitary, public-use aircraft. In addition, my legislation would allow the Secretary of Transportation to waive FAA requirements for public-use aircraft if the Secretary determines that State safety regulations are equally stringent. Finally, my legislation would grant the National Transportation Safety Board [NTSB] the authority to investigate public-use aircraft accidents.

According to a General Accounting Office [GAO] study on Federal regulation of public-use aircraft, owners and operators of such aircraft usually voluntarily adhere to most FAA safety regulations for aircraft operations. However, the GAO cited exceptions, including use of overweight aircraft and not having aircraft airworthiness certificates.

The GAO study went on to conclude that:

Subjecting public aircraft to additional FAA safety regulations is appropriate because: (1) this will enhance the likelihood of [safety regulation] compliance; (2) aircraft owned or used exclusively by the government should set an example and follow the same basic safety rules expected of private sector aircraft; and (3) public aircraft that crash can cause as much bodily injury and property damage as a similar civil aircraft. The existence of a systemwide problems [are] difficult to detect because no systemwide oversight or reporting mechanisms are in place to identify such problems.

Further, allowing the NTSB to investigate and report on such public-use aircraft accidents could offer FAA experts needed information when trying to establish patterns of safety problems.

Mr. President, again I want to stress the extreme importance and necessity of Government oversight of aviation safety. All nonmilitary aircraft should be subject to tough FAA safety standards and requirements, regardless of who owns and operates aircraft. Our Federal agencies need to make it very clear that necessary safety regulations must be enforced. It is my intention that the legislation I am introducing today will make Government entities sit up and take added notice of aircraft safety recommendations and will ensure that those regulations are properly enforced. We, in Congress, owe that to the air-traveling public.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1092

Be in enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. APPLICABILITY OF CERTAIN REGULATIONS.

(a) IN GENERAL.—After the expiration of the 90-day period following the date of the enactment of this Act, all regulations, directives, and orders issued pursuant to the Federal Aviation Act of 1958 (49 U.S.C. 1301 et seq.) relating to airworthiness, supplemental type certificates, and technical standard orders in connection with civil aircraft, including such regulations, directives and orders in effect on the 90th day following such date of enactment, shall be applicable to public aircraft.

(b) WAIVER.—In the case of any regulation, directive or order referred to in subsection (a), the Secretary of Transportation, at the request of any State, territory or possession of the United States, or the District of Columbia, may exempt such State, territory, possession, or the District of Columbia from compliance with such regulation, directive, or order, if the Secretary determines that it has in effect, and is enforcing, a regulation, directive or order equally as stringent as that referred to in subsection (a).

(c) REGULATIONS.—The Secretary of Transportation shall issue such regulations as may be necessary to carry out this section.

SEC. 2. INVESTIGATION BY INDEPENDENT PARTY.

(a) REPORTING OF ACCIDENTS.—After the expiration of the 90-day period following the date of the enactment of this Act, the Secretary of Transportation shall issue such regulations as may be necessary to require each State to report any accident involving a public use aircraft which occurs in such State to the National Transportation Safety Board.

(b) JURISDICTION OF NATIONAL TRANSPORTATION SAFETY BOARD.—The National Transportation Safety Board shall investigate, determine probable cause, make safety recommendations and report the facts and circumstances of public aircraft accidents, reported pursuant to subsection (a), in the same manner and to the same extent as that required in connection with United States civil aviation accidents.

SEC. 3. DEFINITION.

As used in this Act, the term "public aircraft" has the same meaning as that provided by section 101(36) of the Federal Aviation Act of 1958, except that for the purposes of this Act, the term "public aircraft" does not include military aircraft.

By Mr. DURENBERGER (for himself, Mr. DANFORTH, and Mr. COCHRAN):

S. 1093. A bill to amend the Internal Revenue Code of 1986 to repeal the special rule for treatment of foreign trade income of a FSC attributable to military property; to the Committee on Finance.

DEFENSE CONVERSION COSTS LEGISLATION

Mr. DURENBERGER. Mr. President, the current downsizing in the U.S. defense industry has resulted in widespread unemployment and uncertainty regarding the financial stability of defense contractors. Contributing to this instability are U.S. tax policies which jeopardize the defense industry's ability to compete in the world marketplace. If we can be competitive in exports—exports subject to the full range of foreign policy controls—we can save countless dollars in unneeded conversion costs and unemployment benefits.

Today I am introducing legislation to repeal the discriminatory special rule for foreign trade income of a foreign sales corporation [FSC] attributable to military property.

I want to thank my distinguished colleague from Missouri, Senator JACK DANFORTH, and the Senator from Mississippi, THAD COCHRAN, who have joined me in cosponsoring this bill.

Mr. President, since 1985, U.S. manufacturers who establish a foreign sales corporation are granted a lower effective income tax rate on profits from export sales. However, section 923(a)(5)

limits the amount of foreign trade income derived from the disposition of military property which an FSC may treat as exempt to 50 percent of the amount which would otherwise be treated as exempt foreign trade income. This inequitable treatment of our defense industry diminishes its ability to compete with foreign defense manufacturers, many of which are heavily subsidized by their governments.

The current law is not only unfair in the treatment of the defense industry, it is outdated. The compromise struck in 1976 between those who felt such sales did not warrant a tax incentive because they were not sold in a competitive marketplace, and those who felt a tax incentive was warranted whenever the sale was competitive with foreign-manufactured goods, has been outdated by the current global market. Companies from many nations are now intense competitors with American companies in the development and manufacture of sophisticated systems of national defense—from complex strategic and tactical munitions, to conventional weaponry.

In addition, providing the full foreign trade income exemption to military property FSC's will augment sellers' ability to resist the attractions and pressures applied by foreign buyers to locate manufacturing facilities in their countries—which will keep more Americans employed here at home.

Mr. President, as Congress begins to address President Clinton's proposed $20 billion defense conversion program, I would urge my colleagues on both sides of the aisle to support the conversion of this portion of our Nation's tax policy which currently discriminates against the U.S. defense industry.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1093

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF SPECIAL RULE FOR FOREIGN TRADE INCOME OF A FSC ATTRIBUTABLE TO MILITARY PROPERTY.

(a) REPEAL.—Section 923(a) of the Internal Revenue Code of 1986 (defining exempt foreign trade income) is amended by striking paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions occurring after December 31, 1993, in taxable years ending after such date.

By Mr. DASCHLE:

S. 1095. A bill to amend the Internal Revenue Code of 1986 to allow individuals to direct that part or all of their income tax refunds be contributed to a trust fund established for the relief of domestic and international hunger, and to establish a commission to oversee the distribution of such conditions; to the Committee on Finance.

HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST ACT OF 1993

• Mr. DASCHLE. Mr. President, today I am introducing the Hunger Emergency Assistance and Relief Trust [HEART] Act. By adding a checkoff on Federal tax forms, similar to the Presidential election campaign fund checkoff currently in place, this legislation would provide taxpayers with a simple way to donate a portion of their tax refund to hunger relief.

The HEART Act would have virtually no budget impact. It would establish a five-person unpaid commission to oversee contributions and grant funds to appropriate relief organizations. In order to qualify as a recipient, an organization would be required to use less than 22 percent of its annual budget for administrative costs. Furthermore, organizations could not use more than 10 percent of the money received under this act of administrative costs. Finally, organizations would be required to have in place a hunger relief plan approved by the commission, and all funds obtained under this act would be directed toward the implementation of this plan.

Participating organizations could seek to alleviate hunger on a national or international basis, but at least half of the funds obtained under this act would have to be used for domestic hunger relief. Furthermore, to the extent possible and practical, domestic funding would seek to balance urban and rural interests and needs.

Mr. President, the HEART Act seeks to address one of the most desperate issues of our time. We have all heard the statistics. Each day, over 35,000 people around the world die from hunger or hunger-related causes. Children worldwide are dying at the rate of 1,000 per hour from hunger or hunger-related diseases that are entirely preventable. And it's not just a problem affecting other nations; it is hitting us here at home. Fourteen percent of our population right here in America is living in poverty. Relief centers cannot keep up with the demand for emergency food assistance. I am told that this past year approximately 25 percent of requests for emergency food assistance received by city and private hunger relief agencies, most coming from families with children, were turned down.

The need for action is clear. And the American people want to help. In a poll done by the National Coalition for Hunger and Homelessness, 80 percent of those surveyed stated that they would be willing to forego as much as $100 of their tax refund to combat hunger. The HEART Act would help them do that.

At a time when we are looking for cost-effective programs to combat the vital problems facing our society, legislation like this makes sense. I urge my colleagues to support the Hunger Emergency Assistance and Relief Trust Act.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hunger Emergency Assistance and Relief Trust Act of 1993".

SEC. 2. ELECTION OF TAXPAYERS TO DIRECT INCOME TAX REFUNDS TO HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST.

(a) IN GENERAL.—Section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds) is amended by redesignating subsections (e), (f), (g), (h), and (i) as subsections (g), (h), (i), (j), and (k), respectively, and by inserting after subsection (d) the following new subsections:

"(e) OFFSET OF AMOUNT OF INCOME TAX REFUND DESIGNATED TO BE PAID OVER TO HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST.—

"(1) IN GENERAL.—The amount of any overpayment of income tax to be refunded to the person making the overpayment shall be reduced by the sum designated by the person on the person's return of tax to be paid over to the Hunger Emergency Assistance and Relief Trust.

"(2) NOTICE OF REDUCTION PROVIDED ON REQUEST.—The Secretary shall, on request of any person who designates an amount to be paid over under paragraph (1), notify the person that such amount has been paid over to the Hunger Emergency Assistance and Relief Trust.

"(f) PRIORITIES FOR OFFSET.—Any overpayment by a person shall be reduced pursuant to subsections (c), (d), and (e), and in that order, before such overpayment is credited to the future liability for tax of such person pursuant to subsection (b)."

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 6402 of the Internal Revenue Code of 1986 is amended by striking "(c) and (d)," and inserting "(c), (d), and (e),".

(2) Subsection (c) of such section is amended by striking the last sentence.

(3) Paragraph (2) of subsection (d) of such section is amended—

(A) by striking the first sentence, and

(B) by amending the heading of such paragraph to read as follows:

"(2) APPLICATION OF OVERPAYMENT AGAINST MULTIPLE DEBTS.—".

SEC. 3. ESTABLISHMENT OF HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to establishment of trust funds) is amended by adding at the end the following new section:

"SEC. 9512. HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST.

"(a) IN GENERAL.—There is established in the Treasury of the United States a trust fund to be known as the 'Hunger Emergency Assistance and Relief Trust', consisting of such amounts as may be transferred or credited to the Hunger Emergency Assistance and Relief Trust as provided in this section or section 9602(b).

"(b) TRANSFERS TO HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST OF AMOUNTS DESIGNATED TO THE TRUST BY TAXPAYERS.—The Secretary shall, from time to time, transfer to the trust an amount equal to the sum of the amounts by which overpayments of tax are reduced under section 6402(e).

"(c) EXPENDITURES FROM HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST.—Amounts in the Hunger Emergency Assistance and Relief Trust shall be made available to qualified hunger relief services organizations (as defined in section 9052(a)) as provided in section 9051."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end the following new item:

"Sec. 9512. Hunger Emergency Assistance and Relief Trust."

SEC. 4. DISTRIBUTION OF HUNGER RELIEF FUNDS.

(a) IN GENERAL.—Subtitle H of the Internal Revenue Code of 1986 (relating to financing of presidential election campaigns) is amended by adding at the end the following new chapter:

"CHAPTER 97—DISTRIBUTION OF HUNGER RELIEF FUNDS

"SUBCHAPTER A. Distribution of funds.

"SUBCHAPTER B. Hunger Commission.

"Subchapter A—Distribution of Funds

"Sec. 9051. Payments to hunger relief services organizations.

"Sec. 9052. Definitions.

"Sec. 9053. Repayments.

"Sec. 9054. Prohibited acts.

"Sec. 9055. Authority of Hunger Commission to inform State attorney general of possible State law violations.

"Sec. 9056. Reports to Congress; regulations.

"SEC. 9051. PAYMENTS TO HUNGER RELIEF SERVICES ORGANIZATIONS.

"(a) AUTHORIZED BY HUNGER COMMISSION.—On receipt of an authorization from the Hunger Commission under section 9062(a) for payment to a qualified hunger relief services organization, the Secretary shall pay to the organization out of the Hunger Emergency Assistance and Relief Trust established by section 9512 the amount authorized by the Commission to be paid.

"(b) USE OF PAYMENTS.—

"(1) UNDER CONTROL OF PAYEE.—Amounts paid to any qualified hunger relief services organization under section 9512(c) (relating to expenditures from Hunger Emergency Assistance and Relief Trust) shall, subject to paragraph (2), be under the control of the organization.

"(2) LIMITATION ON ADMINISTRATIVE EXPENSES.—An organization shall not use more than 10 percent of the sum of any amount paid to it under section 9512(c) and any contribution made by it to match such paid amount, for administrative expenses.

"(c) NO ENTITLEMENT CREATED BY THIS CHAPTER.—Nothing in this chapter shall be construed to create any entitlement to any payment under this chapter.

"SEC. 9052. DEFINITIONS.

"(a) QUALIFIED HUNGER RELIEF SERVICES ORGANIZATION.—For purposes of this chapter, the term 'qualified hunger relief services organization' means any organization which—

"(1) is described in section 501(c)(3),

"(2) is exempt from Federal income taxation under section 501(a),

"(3) is recognized under the laws of the State in which it is organized and the laws of the State in which it maintains its principal place of business, as a charitable organization which has as its principal purpose the relief of hunger,

"(4) has been in existence for at least 2 years,

"(5) uses not more than 22 percent of its annual budget for administrative costs and evidences such use in its annual report,

"(6) satisfies the Commission that the organization has developed, and is able to implement, a hunger relief plan,

"(7) agrees in writing to obtain and furnish to the Commission such information or evidence as the Commission may request concerning the operations of the organization,

"(8) agrees in writing to keep and furnish to the Commission such records, books, and other information as the Commission may request, and

"(9) agrees, on request of the Commission, to be audited and examined by the Commission, and to pay any amounts required to be paid under section 9053.

"(b) HUNGER RELIEF PLAN.—For purposes of this chapter, the term 'hunger relief plan' means a plan for the amelioration or alleviation of actual or threatened starvation or severe malnutrition of individuals.

"(c) COMMISSION.—For purposes of this chapter, the term 'Commission' means the Hunger Commission established by section 9061.

"SEC. 9053. REPAYMENTS.

"(a) IN GENERAL.—If the Commission determines that any organization receiving any amount under section 9512(c) has engaged in any prohibited act described in section 9054—

"(1) the Commission shall notify the organization of the act and the amounts (if any) involved,

"(2) the organization shall pay to the Secretary of the Treasury an amount equal to the amounts (if any) involved, and

"(3) the Commission may direct the Secretary of the Treasury to deny the organization exemption from taxation under section 501(a) only for taxable years after the taxable year during which the prohibited act occurred.

"(b) DEPOSIT OF REPAYMENTS.—Any payment received by the Secretary of the Treasury under subsection (a)(2) shall be deposited in the Hunger Emergency Assistance and Relief Trust.

"SEC. 9054. PROHIBITED ACTS.

"It shall be unlawful for any organization which is paid any amount under section 9512(c) in respect of a hunger relief plan to do any of the following acts:

"(1) FAIL TO MATCH PAYMENT.—Fail to make a matching contribution to the hunger relief plan in an amount equal to such paid amount.

"(2) FAIL TO PROPERLY USE PAYMENT.—Fail to use such paid amount and the matching contribution in connection with the hunger relief plan in respect of which such amount is paid.

"(3) INCUR EXCESSIVE ADMINISTRATIVE EXPENSES.—Use more than 10 percent of any such paid amount or more than 10 percent of any matching contribution during any calendar year for administrative expenses.

"(4) NOT COMPLY WITH CERTAIN COMMISSION REQUESTS.—Fail to comply with any request by the Commission described in paragraph (7), (8), or (9) of section 9052(a).

"SEC. 9055. AUTHORITY OF HUNGER COMMISSION TO INFORM STATE ATTORNEY GENERAL OF POSSIBLE STATE LAW VIOLATIONS.

"The Commission may furnish the Attorney General of the State in which any organization receiving amounts under this chapter is organized or maintains its principal place of business any information received by the Commission indicating that the organization may be in violation of State law.

"SEC. 9056. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—On or before June 1, 1994, and annually thereafter, the Commission shall submit to the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate, a report containing a detailed accounting of funds authorized to be paid from the Hunger Emergency Assistance and Relief Trust.

"(b) REGULATIONS.—The Commission may prescribe such regulations concerning the conduct of examinations and audits, and the keeping and submission of records, books, and other information, as it deems necessary to carry out the functions and duties imposed on it by this Chapter.

"Subchapter B—Hunger Commission

"Sec. 9061. Establishment.

"Sec. 9062. Duties.

"Sec. 9063. Membership.

"Sec. 9064. Term of office.

"Sec. 9065. Compensation of Commission members.

"Sec. 9066. Powers.

"Sec. 9067. Director and staff of Commission.

"Sec. 9068. Rules governing Commission meetings.

"Sec. 9069. Authorization of appropriations.

"SEC. 9061. ESTABLISHMENT.

"There is established a commission to be known as the Hunger Commission.

"SEC. 9062. DUTIES.

"(a) DISTRIBUTION OF FUNDS TO QUALIFIED HUNGER RELIEF SERVICES ORGANIZATIONS.—

"(1) MATCHING GRANTS.—The Commission shall direct the Secretary of the Treasury to pay from the Hunger Emergency Assistance and Relief Trust any amount the Commission deems appropriate, to any qualified hunger relief services organization for the purpose of providing hunger relief services under a hunger relief plan, if the organization agrees to, and demonstrates to the Commission the capacity to, contribute an amount for such purpose equal to the amount to be paid to the organization.

"(2) LIMITATION.—The Commission may not direct under subsection (a) the payment of more than $100,000 to a single organization in a single fiscal year.

"(b) FUNDS TO BE DISTRIBUTED WITHIN 180 DAYS.—Within 180 days after the date any amount is received in the Hunger Emergency Assistance and Relief Trust, the Commission shall authorize the payment of such amount to 1 or more qualified hunger relief services organizations.

"(c) AT LEAST 50 PERCENT OF FUNDS TO BE USED FOR DOMESTIC HUNGER RELIEF.—At least 50 percent of amounts received into the Hunger Emergency Assistance and Relief Trust during any calendar year shall be paid to qualified hunger relief services organizations for the purpose of providing hunger relief services in the United States (or bearing administrative expenses associated with the provision of such services). To the extent practical, the Commission shall assure that both rural and urban areas of the United States receive a fair proportion of the hunger relief services provided in the United States under this chapter.

"SEC. 9063. MEMBERSHIP.

"(a) 5 MEMBERS.—The Commission shall consist of 5 members.

"(b) APPOINTMENT.—

"(1) PRESIDENT APPOINTS 4.—During January 1994, the President shall appoint 4 Commission members. 2 appointees shall be from the Democratic Party and the other 2 appointees shall be from the Republican Party.

"(2) PRESIDENTIAL APPOINTEES APPOINT CHAIR.—The 4 Commission members appointed under paragraph (1) shall appoint another individual to be the Chair of the Commission.

"(c) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

"SEC. 9064. TERM OF OFFICE.

"(a) 3 YEARS.—Appointment to the Commission shall be for a term of 3 years to begin on January 1, 1994, and every 3rd year thereafter.

"(b) EXCEPTIONS.—

"(1) FILLING OF VACANCY.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor for such member was appointed shall be appointed only for the remainder of such term.

"(2) SUCCESSION.—A member may serve after the expiration of the term of office of such member until his successor has taken office.

"SEC. 9065. COMPENSATION OF COMMISSION MEMBERS.

"Commission members shall not receive pay, allowances, or benefits by reason of their service on the Commission.

"SEC. 9066. POWERS.

"(a) HEARINGS.—The Commission, may, in the United States, for the purpose of performing its duties under this chapter, hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and conduct such audits of organizations requesting or receiving funds from the Commission, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

"(b) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to perform duties of the Commission under this chapter. On request of the Chair of the Commission, the head of such department or agency shall furnish such information to the Commission.

"(c) SUBPOENAS.—

"(1) AUTHORITY TO ISSUE SUBPOENAS.—The Commission may issue subpoenas requiring witnesses to attend and testify and to produce evidence relating to any matter under investigation by the Commission. Such witness attendance and production of evidence may be required from any place within or without the United States at any designated place of hearing in the United States.

"(2) GRANT OF IMMUNITY.—An individual may not be prosecuted or subjected to any penalty or forfeiture by reason of any transaction, matter, or thing concerning which such individual is compelled to testify or produce evidence, after having claimed the privilege against self-incrimination, except such individual shall not be exempt from prosecution and punishment for perjury committed in so testifying. Excuse from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpoena, on the ground that the testimony or evidence required of an individual may tend to incriminate or subject such individual to a penalty or forfeiture shall not be granted to any such individual.

"(3) CONSEQUENCES OF REFUSAL TO OBEY SUBPOENA.—Any individual issued a subpoena under this subsection who refuses to obey such subpoena or is guilty of contumacy, may, on application by the Commission, be ordered by any court of the United States in the judicial district in which the hearing is conducted or within which such individual if found, resides, or transacts business, to appear before the Commission to produce evidence or give testimony relating to any matter under investigation. Such court may punish any failure to obey such order as a contempt of such court.

"(4) SERVICE OF SUBPOENA.—Any subpoena by the Commission shall be served in the manner provided for the service of subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

"(5) SERVICE OF OTHER PROCESS.—Any other process of any court to which application may be made under this subsection shall be served in the judicial district in which the person required to be served resides or is found.

"(d) GIFTS.—The Commission may accept, use, and dispose of gifts of money, services, or property.

"(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(f) STAFF OF FEDERAL AGENCIES.—On request of the Chair of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any personnel of such agency to the Commission to assist the Commission in carrying out its duties under this chapter.

"(g) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission, on a reimbursable basis, such administrative support services as the Chair of the Commission may request.

"(h) DELEGATION OF AUTHORITY TO MEMBERS AND AGENTS.—The Commission may delegate to any of its members or agents its authority to take any action authorized by this section.

"SEC. 9067. DIRECTOR AND STAFF OF COMMISSION.

"(a) DIRECTOR.—The Commission may appoint a Director to be paid at a rate not to exceed the maximum rate of basic pay payable for GS-14 of the General Schedule.

"(b) STAFF.—With the approval of the Commission, the Director may appoint additional personnel subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and such personnel shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(c) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

"SEC. 9068. RULES GOVERNING COMMISSION MEETINGS.

"(a) QUORUM.—The Chair of the Commission and 2 other Commission members shall constitute a quorum.

"(b) MEETINGS.—The Commission shall meet not less frequently than quarterly, at the call of a majority of its members, in sessions open to the public.

"(c) VOTING.—The Chair of the Commission shall not have the power to vote at any Commission meeting, except to break a tie.

"SEC. 9069. AUTHORIZATION OF APPROPRIATIONS.

"For administrative expenses, there are authorized to be appropriated to the Commission an amount not to exceed $150,000 for each fiscal year beginning after September 30, 1993."

(b) CLERICAL AMENDMENTS.—

(1) Subtitle H of the Internal Revenue Code of 1986 is amended by amending the heading for such subtitle to read as follows:

"Subtitle H—Financing of Presidential Election Campaigns; Distribution of Hunger Relief Funds"

(2) The table of chapters for such subtitle is amended by adding at the end the following new item:

"CHAPTER 97. Distribution of hunger relief funds."

(3) The table of subtitles for such Code is amended by amending the item relating to subtitle H by striking "campaigns." and inserting "campaigns; distribution of hunger relief funds.".

SEC. 5. EFFECTIVE DATES.

(a) ELECTION OF TAXPAYERS TO DIRECT INCOME TAX REFUNDS TO HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST.— The amendments made by section 2 shall apply to taxable years beginning after December 31, 1993.

(b) ESTABLISHMENT OF HUNGER EMERGENCY ASSISTANCE AND RELIEF TRUST.—The amendments made by section 3 shall apply to the amounts received after December 31, 1993.

(c) DISTRIBUTION OF HUNGER RELIEF FUNDS.—The amendments made by section 4 shall take effect on January 1, 1994.●

By Mr. BINGAMAN (for himself and Mr. SIMPSON):

S. 1096. A bill to amend the Foreign Assistance Act of 1961 to establish and strengthen policies and programs for the early stabilization of world population through the global expansion of reproductive choice, and for other purposes; to the Committee on Foreign Relations.

INTERNATIONAL POPULATION STABILIZATION AND REPRODUCTIVE HEALTH ACT

Mr. BINGAMAN. Mr. President, I rise today with my good friend and colleague from Wyoming, Senator SIMPSON, to introduce the International Population Stabilization and Reproductive Health Act. In so doing, we are renewing a congressional commitment made by our friend and former colleague, Senator Tim Wirth.

Ours is a commitment to global population stabilization, economic opportunity, and reproductive health care. For years, Senator Wirth and Senator SIMPSON have championed these issues. Today, I am proud to join their effort.

After more than a decade of U.S. inaction on these issues, I believe we are entering a new era. This is one area in which no one can accuse the administration of waffling or failing to act. Already, President Clinton and his administration have taken the lead in international family planning efforts.

In January, President Clinton reversed the long-standing Mexico City policy, which had deprived a number of worthy organizations—and thousands of women—much needed family plan-

ning assistance. Last month at the Second Preparatory Meeting for the 1994 International Conference on Population and Development, Senator Wirth, now the State Department's top official on population issues, presented the new administration's vision on global population and set forth a series of goals for addressing the challenges we face.

Through the introduction of the International Population Stabilization and Reproductive Health Act, we are laying the legislative framework for the administration's work.

Our bill focuses U.S. foreign policy on a coordinated strategy that will: Help achieve world population stabilization; encourage global economic development and self-determination; and improve the health and well-being of women and their children.

I believe these three objectives are inextricably tied to one another. In my view, all U.S. efforts to help develop economies and promote democracy around the world will be futile if we do not first address the staggering rate of global population growth.

How can we expect underdeveloped countries to pull themselves up when the world's population is growing at a rate of more than 10,000 people per hour? When the women and men who make up a Nation's work force pool do not even have the right to plan their families? And when millions of the women around the world do not have access to basic—and lifesaving—reproductive health care or educational opportunities?

Fundamental to this act is a recognition of the fact that worldwide efforts to alleviate poverty, stabilize population, and secure the environment have been undermined profoundly by a lack of attention to women's reproductive health an the role of women in the economic development of their families, their communities, and their countries.

Under the act, global and U.S. expenditure targets will be set for overall population assistance and for specific programs that will: Help achieve universal access to culturally-competent family planning services and reproductive health care; Expand programs for research, treatment, and prevention of AIDS and other sexually transmitted diseases; Close the gender gap in literacy and primary and secondary education; and Increase economic opportunities for women so that they can realize their full productivity potential.

Other programs authorized under the act will help reduce global maternal and infant mortality rates and improve the overall health status of women and their children by addressing problems such as malnutrition, low immunization rates, and the spread of contagious diseases.

Mr. President, I comment this legislation to the Senate and ask unanimous consent that a summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY—INTERNATIONAL POPULATION STABILIZATION AND REPRODUCTIVE HEALTH ACT

The "International Population Stabilization and Reproductive Health Act" lays the foundation for focussing U.S. foreign policy on a coordinated strategy that will: help achieve world population stabilization; encourage global economic development and self-determination; and improve the health and well-being of women and their children.

The Act recognizes that worldwide efforts to alleviate poverty, stabilize population, and secure the environment have been significantly undermined by the lack of attention to women's reproductive health and the role of women in the economic development of their families, their communities, and their countries.

1. POLICY AND PURPOSE

To help stabilize the world's population, improve the health and well-being of families, provide greater self-determination for women, and protect the global environment, the Act states that key objectives of U.S. foreign policy will be to:

Assist in the worldwide effort to achieve universal access to family planning;

Promote access to quality reproductive health care for women and primary health care for their children; and

Support the global expansion of basic literacy, education, and economic development oportunities for women.

To promote these objectives, expenditures targets for population assistance are set as follows:

Global Target (total of domestic and international sources): $11,000,000,000 by the year 2000;

U.S. Target: $1,400,000,000 by the year 2000.

In addition, new funding authorization levels are set for development and economic assistance programs and material and child health programs.

2. U.S. POPULATION ASSISTANCE PROGRAMS

U.S. population assistance will be available to international governments; multilateral organizations, including the United Nations and the UN Population Fund; and nongovernmented organizations.

Assistance is authorized to support

Affordable, culturally-competent, and voluntary family planning and reproductive health services and educational outreach efforts, particularly those designed, monitored, and evaluated by women and men from the local community;

Research on new, improved, and lower-cost fertility regulation options and related Disease control for women and men, particularly those emphasizing the individual users' perspective and goals;

Research on programs to provide effective family planning education and evaluation that is culturally and gender competent in meeting the individual users goal and programs; and

Efforts to create greater awareness worldwide on reproductive health issues and the consequences of continued world population growth.

Some conditions will be imposed on eligibility for support

The largest share of U.S. population assistance will be made available through nongovernmental organizations;

Assistance priority will be given to countries that account for a significant portion of the world's population growth; have significant unmet needs in the delivery of family planning services; or are committed to population stabilization through the expansion of reproductive choice;

Programs receiving support cannot deny services based on an individual's ability to pay;

No U.S. funds may be used to coerce any person to accept any method of fertility regulation or undergo contraceptive sterilization or involuntary abortion.

3. ECONOMIC AND SOCIAL DEVELOPMENT ASSISTANCE

U.S. development assistance will be available to help improve educational and economic opportunities for girls and women and improve the health status of women and their children.

Education: Priority assistance will be available to countries that have adopted Year 2000 goals and strategies aimed at closing the literacy and basic education gaps between the Nation's men and women.

Economic Productivity: Priority assistance will be available to governments and nongovernmental organizations for programs that help women increase their productivity through vocational training and access to new technologies, extension services, credit programs, and child care.

Women's Health: Priority assistance will also be available for programs that increase the access of girls and women to comprehensive reproductive health care services.

Children's Health: Priority assistance will be available to nongovernmental programs that are aimed at reducing malnutrition, increasing immunization rates, and reducing the number of childhood deaths resulting from diarrheal diseases and respiratory infections.

The Act also establishes the "Safe Motherhood Initiative," which is specifically intended to help girls and women gain access to comprehensive reproductive health care, including: Prenatal care and high-risk screening; supplemental food programs for pregnant and nursing women; prevention and treatment of sexually-transmitted diseases, including AIDS; and midwifery and traditional birth attendants.

4. REPORTS

Annual Report: To assess progress toward the Act's objectives and expenditure targets, an annual report will be submitted to the Congress on world progress toward population stabilization and universal reproductive choice. The report will estimate international population assistance by government, donor agencies, and private sector entities; and analyze population trends by country and region.

Expenditure Target Report: To determine expenditure targets for economic and social development activities, the President will prepare a report which:

Estimates the resources needed, in total and by entity, to achieve the education, productivity, and health initiatives described above;

Identifies legal, social, and economic barriers to women's self-determination and to improvements in the economic productivity of women;

Describes existing initiatives aimed at increasing the women's access to education, credit, and child care and new technologies for development; and

Describes the causes of mortality and morbidity among women of childbearing age

around the world and identifies the actions and resources need to reduce such mortality and morbidity.

Report on Discrimination: Each annual country human rights report will include information on patterns within a country of discrimination against women in inheritance laws, property rights, family law, and access to credit, technology, employment, education, and vocational training.

5. AUTHORIZATION OF APPROPRIATIONS

For section 104(g)(1) of the Foreign Assistance Act of 1961: $725 million is authorized for fiscal year 1994; $800 million for fy 1995.

For activities under development and economic assistance: $350 million of the amount reserved for education for fy 1994 and fy 1995 will support efforts to equalize male/female enrollment in primary and secondary schools; $405 million for fy 1994 and $490 million for fy 1995 will be available through the Child Survival Fund for child survival activities, including immunization and vaccines initiatives; and $100 million is authorized for fy 1994 and fy 1995 for the Safe Motherhood Initiative.

In addition, the Act authorizes the "AIDS Prevention and Control Fund" for research, treatment, and prevention of AIDS. For fy 1994, $100 million is authorized for the Fund; $165 million is authorized for fy 1995. Similar funding has been appropriated annually by the Congress since 1986.

Mr. SIMPSON. Mr. President, today I join with my friend and colleague from New Mexico in introducing this legislation. During the last congressional session, Senator Tim Wirth and I introduced similar legislation which we believed was important to layout the blueprint to build upon during the 103d Congress. Senator Wirth's commitment to population stabilization runs strong and deep as evidenced by his new position as the top State Department official for population issues, and I want to commend him on this latest achievement. My colleague from New Mexico has risen superbly to the occasion to take over where Senator Wirth left off last year. He shares the same concerns and commitment to this crucial global issue as I do and I am pleased to be working in a bipartisan fashion with him so we can move forward with effective public policy on an issue that affects everyone in some way—worldwide.

Moreover, the political climate has changed since last year with President Clinton's recent announcement that the United States will resume funding for the U.N. population fund after a 7-year suspension, and he has mandated a reorganization of the State Department to reflect the greater priority we are giving to population as a major international issue. These are steps in the right direction; however, much more needs to be done to address this important issue of population stabilization. The legislation we are introducing today will serve as the focal point for U.S. policy on population assistance to foreign governments and private organizations working to improve the quality of human life and halt the degradation of the environment caused by over population of this planet.

Of all the challenges facing us in this country and around the world, none compares to that of increasing population growth. All of our efforts to protect the environment, and to promote economic development around the world are compromised by the staggering rate of growth in our world's population. There are currently 5.4 billion people on the Earth. In 1950 there were only 2.5 billion. If current birth and death rates continue, the world's population will double again in just 40 years. Despite some progress in reducing fertility rates, birthrates in developing countries are declining too slowly to prevent a cataclysmic near tripling of the human race before stabilization can occur.

It does indeed seem frivolous to me that we worry so much about bovine expulsions of methane gas and fertilizer contents, when we have not even begun to consider the far more urgent and fundamental problem of how many footprints this Earth can accommodate. Every year over 95 million people—about the population of the entire country of Mexico—are added to the world's population. Every month the equivalent of another Los Angeles is added.

I have always been concerned about the environmental impact on this planet from the continued growth in population. However, there are many pressing reasons beyond a concern for the environment for the United States to take a renewed interest in global population issues. Unchecked population growth has and will continue to have direct consequences for the global economy and the international standards of living. Rapid population growth impedes worldwide economic progress by keeping people in many countries too poor to buy more than basic necessities. For example, 95 percent of the world population growth is taking place in the less-developed countries of Africa Asia, and Latin America where it aggravates widespread poverty as well as rapid environmental degradation.

There is a real need throughout much of the developing world for access to family planning services, especially to safe abortions. Women in these countries are desperately seeking ways to take control of their reproductive lives and cannot do so because there is a severe lack of access to such services. Currently, about 375 million married women in developing countries are using family planning, but at least 120 million more—1 in 5 outside of China—are not using family planning even though they may want to avoid becoming pregnant. The World Fertility Study shows that the growing use of effective family planning methods is a major reason that fertility rate declines have been so rapid in the past several years for some developing countries. We need to ensure that couples and individuals have the ability to exercise their right and choice to determine freely and responsibly the size of their families by promoting access to the full range of quality family planning services and also to reproductive health care in general.

In addition, any comprehensive family planning initiative must include access to primary health care with an emphasis on child survival to reduce infant mortality. In many developing countries, parents have a perception that many of their children will not survive beyond their first birthdays. If these parents' fears are allayed, they will not feel pressure to have more children than they actually desire in order to ensure against the possible loss of one or more of their children before adulthood.

Finally, women across the world should be empowered so that they have the opportunity to become equal partners with men in the development of their societies. In societies in which women are accepted in the work force and alternatives to childbearing exist, it has been shown that fertility rates usually decline. This has been the case in industrialized countries, and in countries such as Brazil, Mexico, Thailand, and South Korea. In addition, in societies that deny women equal rights, women are also often denied an equal say in family decisions concerning family planning, pregnancy, and child-raising. Since women bear the primary burden of pregnancy and childrearing, it is reasonable to believe that if given a fuller choice, some women might choose to delay or avoid future pregnancies. In this way promoting educational opportunities for women and improving the status and rights of women could lead to a reduction in fertility.

This is why for all of these pressing reasons, I join today with my friend and colleague from New Mexico, Senator BINGAMAN in introducing this legislation. It is our aim to call attention to global population stabilization, to give it focus, and to make it a vital part of U.S. foreign aid and development assistance programs. This legislation calls for the United States to resume its position or moral leadership in global efforts to achieve responsible and sustainable population levels, and to back that leadership up with specific commitments to population planning activities.

I trust that with the administration's renewed commitment to population stabilization, that we can move forward on this important issue that is so very vital to every human being across on this planet. We are ready in the Senate to mold this bill into something that can achieve the support of a majority of Members. We need to begin to make much-needed policy changes in international population stabilization, and the United States needs to take

this lead to ensure that these new policy developments are recognized worldwide. This one is long overdue.

By Mr. DOLE (for Mr. WARNER, for himself, and Mr. GLENN):

S.J. Res. 101. A joint resolution to designate the week of July 25 through July 31, 1993, as the "National Week of Recognition and Remembrance for Those Who Served in the Korean War", to the Committee on the Judiciary.

RECOGNITION OF THOSE WHO SERVED IN THE KOREAN WAR

• Mr. WARNER. Mr. President, I rise today to introduce legislation, along with my colleague from Ohio, Senator JOHN GLENN, to designate the week of July 25–31, 1993, as National Week of Recognition and Remembrance for Those Who Served in the Korean War.

This particular week in the calendar year has been selected for this purpose because it includes the day, July 27, which is the anniversary date of the signing of the Armistice which led to the end of active hostilities in the Korean war. A memorial ceremony to commemorate those who died or are missing in the Korean war has been conducted at Arlington National Cemetery each year since 1985. A similar ceremony is scheduled there at 10 a.m. on July 27 of this year.

The Congress has passed similar resolutions to commemorate the same week since 1988. This year, the 40th anniversary year of the signing of the armistice which ended the Korean war, we are seeking passage of this resolution prior to June 25, 1993, the anniversary date of the beginning of the Korean war. This schedule will afford the legislative and executive leadership of the Nation the opportunity to become role models for appropriate resolutions or proclamations promulgated by the State, county, and municipal governments. In addition, the prompt passage of this resolution will allow time for the preparation of other appropriate ceremonies and activities called for in the proclamation to be issued by the President.

I hope you agree with Senator GLENN and me that it is truly important that we honor and remember the great sacrifice made by so many during the Korean war.

Therefore, I respectfully ask each of my colleagues to cosponsor this truly worthwhile legislation.•

ADDITIONAL COSPONSORS

S. 13

At the request of Mr. HATCH, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 13, a bill to institute accountability in the Federal regulatory process, establish a program for the systematic selection of regulatory priorities, and for other purposes.

S. 27

At the request of Mr. SARBANES, the names of the Senator from Oregon [Mr. PACKWOOD], the Senator from Vermont [Mr. JEFFORDS], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors of S. 27, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 70

At the request of Mr. COCHRAN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 70, a bill to reauthorize the National Writing Project, and for other purposes.

S. 297

At the request of Mr. STEVENS, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 297, a bill to authorize the Air Force Memorial Foundation to establish a memorial in the District of Columbia or its environs.

S. 409

At the request of Mr. GLENN, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 409, a bill to extend the terms of various patents, and for other purposes.

S. 466

At the request of Mr. DASCHLE, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 466, a bill to amend title XIX of the Social Security Act to provide for Medicaid coverage of all certified nurse practitioners and clinical nurse specialists services.

S. 474

At the request of Mr. COATS, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 474, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to $3,500, and for other purposes.

S. 484

At the request of Mr. DASCHLE, the names of the Senator from Alaska [Mr. STEVENS], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 484, a bill to amend title XIX of the Social Security Act to provide for coverage of alcoholism and drug dependency residential treatment services for pregnant women and certain family members under the Medicaid Program, and for other purposes.

S. 540

At the request of Mr. HEFLIN, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 540, a bill to improve the administration of the bankruptcy system, address certain commercial issues and consumer issues in bankruptcy, and establish a commission to study and make recommendations on problems with the bankruptcy system, and for other purposes.

S. 549

At the request of Mr. DOMENICI, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 549, a bill to provide for the minting and circulation of one-dollar coins.

S. 578

At the request of Mr. KENNEDY, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 578, a bill to protect the free exercise of religion.

S. 634

At the request of Mr. GLENN, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 634, a bill to establish a program to empower parents with the knowledge and opportunities they need to help their children enter school ready to learn, and for other purposes.

S. 725

At the request of Mr. KENNEDY, the names of the Senator from New York [Mr. D'AMATO], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Ohio [Mr. METZENBAUM], the Senator from Montana [Mr. BAUCUS], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 725, a bill to amend the Public Health Service Act to provide for the conduct of expanded studies and the establishment of innovative programs with respect to traumatic brain injury, and for other purposes.

S. 784

At the request of Mr. HATCH, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 784, a bill to amend the Federal Food, Drug, and Cosmetic Act to establish standards with respect to dietary supplements, and for other purposes.

S. 850

At the request of Mrs. BOXER, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 850, a bill to establish the Office of Economic Conversion Information within the Department of Commerce, and for other purposes.

S. 937

At the request of Mrs. KASSEBAUM, the names of the Senator from Oklahoma [Mr. NICKLES], the Senator from Mississippi [Mr. COCHRAN], the Senator from Alaska [Mr. STEVENS], the Senator from Montana [Mr. BURNS], the Senator from Mississippi [Mr. LOTT], and the Senator from Missouri [Mr. BOND] were added as cosponsors of S. 937, a bill to provide for a 1-year delay in the applicability of certain regulations to certain municipal solid waste landfills under the Solid Waste Disposal Act.

S. 985

At the request of Mr. INOUYE, the names of the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 985, a bill to amend the

Federal Insecticide, Fungicide, and Rodenticide Act with respect to minor uses of pesticides, and for other purposes.

S. 1054

At the request of Mr. GLENN, the names of the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Colorado [Mr. CAMPBELL] were added as cosponsors of S. 1054, a bill to impose sanctions against any foreign person or United States person that assists a foreign country in acquiring a nuclear explosive device or unsafeguarded nuclear material, and for other purposes.

SENATE JOINT RESOLUTION 55

At the request of Mr. HATCH, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of Senate Joint Resolution 55, a joint resolution to designate the periods commencing on November 28, 1993, and ending on December 4, 1993, and commencing on November 27, 1994, and ending on December 3, 1994, as "National Home Care Week."

SENATE JOINT RESOLUTION 71

At the request of Mr. BROWN, the names of the Senator from Rhode Island [Mr. CHAFEE], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Hawaii [Mr. INOUYE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Arizona [Mr. DECONCINI], the Senator from Maryland [Mr. SARBANES], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 71, a joint resolution to designate June 5, 1993, as "National Trails Day."

SENATE JOINT RESOLUTION 95

At the request of Mr. PELL, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Vermont [Mr. JEFFORDS], the Senator from Wisconsin [Mr. KOHL], the Senator from Pennsylvania [Mr. SPECTER], the Senator from South Carolina [Mr. THURMOND], the Senator from Vermont [Mr. LEAHY], the Senator from Georgia [Mr. NUNN], the Senator from Nevada [Mr. BRYAN], the Senator from Tennessee [Mr. SASSER], the Senator from Pennsylvania [Mr. WOFFORD], the Senator from Arizona [Mr. MCCAIN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Oregon [Mr. PACKWOOD], the Senator from Nevada [Mr. REID], the Senator from Virginia [Mr. ROBB], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from New Mexico [Mr. DOMENICI], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of Senate Joint Resolution 95, a joint resolution to designate October 1993 as "National Breast Cancer Awareness Month."

SENATE CONCURRENT RESOLUTION 30—CONGRATULATING THE ANTI-DEFAMATION LEAGUE

Mr. BROWN (for himself, Mr. MOYNIHAN, Mr. BOND, Mr. D'AMATO, Mr. DASCHLE, Mr. GRASSLEY, Mr. LEVIN, Mr. LIEBERMAN, Mr. DOLE, Mr. ROCKEFELLER, Mr. WOFFORD, Mr. SARBANES, Mr. SIMON, AND Mr. KENNEDY) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 30

Whereas in 1993 the Anti-Defamation League celebrates the 80th anniversary of its founding;

Whereas by fighting bias, bigotry, and racism and by promoting understanding and respect among people the league has been at the forefront of the Nation's quest for justice and fair treatment for all individuals;

Whereas the purpose and program of the league is to counter violence through the promotion of tolerance, thereby espousing and fulfilling the highest ideals and aspirations of people of all faiths, races, and backgrounds;

Whereas the league's activities are a constant reminder to the world community never to forget the Holocaust and to incorporate the lessons learned from the Holocaust into political systems and political decision-making;

Whereas the league has been a leading contributor to the causes relating to democracy, respect for human rights and for the dignity of all peoples, the security of Jewish communities around the world, and the State Israel;

Whereas the league's record of achievement sets an inspiring example of participation in the struggle for justice and of leadership in that struggle;

Whereas the league continues to grow in strength and broaden the scope of its activities even as it maintains its original purpose of educating the public about anti-Semitism and other manifestations of prejudice; and

Whereas racism and other forms of intolerance persist and lead all too frequently to hate-inspired violence: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States congratulates the Anti-Defamation League as it celebrates its 80th anniversary in 1993 and commends the league for pursuing effectively the goal of promoting greater tolerance among people throughout the world.

Mr. BROWN. Mr. President, today I am introducing a resolution commemorating the 80th anniversary of the Anti-Defamation League, one of the Nation's oldest civil rights and human relations organizations. Since 1913, the ADL has been dedicated to fighting prejudice and translating this country's rich heritage of democratic ideals into a way of life for all Americans.

The ADL has been a leader in developing educational materials, programs, and services designed to build bridges of understanding among diverse faiths and diverse racial and ethnic groups. Furthermore, the league has played a leadership role in our Nation's quest for justice and fair treatment for all citizens.

Mr. President, I want to extend to the ADL my heartfelt congratulations on their 80th anniversary. I am pleased to be joined in this effort by my colleague from New York, Senator MOYNIHAN, and Senators BOND, DASCHLE, LEVIN, D'AMATO, GRASSLEY, LIEBERMAN, DOLE, ROCKEFELLER, WOFFORD, SARBANES, SIMON, and KENNEDY. It is our hope that many more of our colleagues will join in this effort to congratulate the Anti-Defamation League on 80 years of service.

Mr. MOYNIHAN. Mr. President, this fall marks the 80th anniversary of the founding of a unique American institution, the Anti-Defamation League [ADL]. This vital human rights organization was created by the officers of B'nai B'rith in response to the brutal lynching of Leo Frank in Atlanta, GA, in the summer of 1913. In the eight decades since this tragic crime, the world has changed in so many ways—and yet the ADL remains a constant—speaking out against bias motivated crimes, combating bigotry and prejudice and helping Americans of all faiths and races to live together with the mutual respect and comity that make pluralism possible.

The Members of the Senate are familiar with the ADL's many important contributions to American society. Three decades ago John Kennedy saluted the ADL's 50th anniversary by declaring that:

> Your organization should itself be receiving an honor for distinguished contributions to the enrichment of America's democratic legacy. Your tireless pursuit of equality of treatment for all Americans has made a lasting and substantial contribution to our democracy.

It is in this spirit that I join Senator BROWN in offering this congratulatory resolution.

SENATE RESOLUTION 116—RELATIVE TO BOSNIA AND HERZEGOVINA

Mr. DECONCINI (for himself, Mr. D'AMATO, Mr. LIEBERMAN, Mr. BIDEN, and Mr. DOLE) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 116

Whereas the sovereign and independent state of Bosnia and Herzegovina was formally recognized by the United States of America on April 7, 1992;

Whereas the sovereign and independent state of Bosnia and Herzegovina was admitted as a full participating State of the Conference on Security and Cooperation in Europe on April 30, 1992;

Whereas the sovereign and independent state of Bosnia and Herzegovina was admitted as a member state of the United Nations on May 22, 1992;

Whereas the United States of America has declared its determination to respect and put into practice the Declaration on Principles Guiding Relations between Participating States contained in the Final Act of the Conference on Security and Cooperation in Europe;

Whereas each of these Principles has been violated during the course of war in Bosnia

and Herzegovina: sovereign equality, respect for the rights inherent in sovereignty; refraining from the threat or use of force; inviolability of frontiers; territorial integrity of States; peaceful settlement of disputes; Nonintervention in internal affairs; respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief; equal rights and self-determination of peoples; cooperation among States; and fulfillment in good faith of obligations under international law;

Whereas Principle II of the Final Act commits the participating States to "refrain from any manifestation of force for the purpose of inducing another participating State to renounce the full exercise of its sovereign rights";

Whereas Principle III of the Final Act commits the participating States to "refrain from any demand for, or act of, seizure and usurpation of part or all of the territory of any participating State";

Whereas Principle IV of the Final Act commits the participating States to "respect the territorial integrity of each of the participating States" and "refrain from any action inconsistent with the purposes and principles of the Charter of the United Nations against the territorial integrity, political independence or the unity of any participating State";

Whereas the Charter of Paris for a New Europe commits the participating States "to cooperate in defending democratic institutions against activities which violate the independence, sovereign equality or territorial integrity of the participating States";

Whereas the Helsinki Document 1992 reaffirms "the validity of the guiding principles and common values of the Helsinki Final Act and the Charter of Paris, embodying responsibilities of States towards each other and of governments towards their own people" which serve as the "collective conscience of our community";

Whereas Charter of the United Nations calls upon Member states to respect the territorial integrity and political independence of any state in keeping with the Purposes of the United Nations;

Whereas the sovereign and independent state of Bosnia and Herzegovina has been and continues to be subjected to armed aggression by Serbia, Serbian-backed forces, and Croatian irregular forces in violation of Final Act and the Charter;

Whereas unchecked armed aggression and genocide threatens the lives of innocent civilians as well as the very existence of the sovereign and independent state of Bosnia and Herzegovina: Now, therefore, be it

Resolved, That the United States of America will, in keeping with its international commitments and obligations, refrain from any action which directly or indirectly undermines the sovereignty, territorial integrity, political independence or the unity of Bosnia and Herzegovina;

Further resolved, That the United States of America will not recognize the incorporation of any of the territory of Bosnia and Herzegovina into that of any neighboring state nor the creation of any new state or states within the borders of Bosnia and Herzegovina resulting from the threat or use of force, coercion or any other means inconsistent with international law.

Mr. DECONCINI. Mr. President, nearly 20 years ago the United States, joined by Canada and the nations of Europe, pledged to uphold a set of principles to govern relations among themselves as well as between them and their citizens. These principles are the cornerstone of the final act of the Conference on Security and Cooperation in Europe. Ironically, these principles, conceived in the midst of the cold war, contributed to the eventual demise of totalitarianism in Europe. These principles continue to guide the CSCE participating states as we collectively attempt to manage and to meet the challenges of change in Europe today.

The highly visible year-old bloody war in Bosnia and Herzegovina is but one of the challenges we face. Nearly half of the world's potential flash points are found in CSCE participating states. The way in which we address the crisis in Bosnia will have serious implications elsewhere in Europe and beyond.

The United States formally recognized Bosnia and Herzegovina as a sovereign and independent state on April 7, 1992.

Bosnia and Herzegovina was admitted as a full CSCE participating state on April 30, 1992, and became a member of the United Nations on May 22, 1992. In agreeing to recognize Bosnia and Herzegovina, we committed ourselves to respect, among other things, the territorial integrity of that country.

During the last year we have witnessed repeated attempts to dismantle the sovereign state of Bosnia and Herzegovina through armed aggression by Serbia, Serbian-backed forces, and Croatian irregular forces. While significant portions of its territory have been captured by these forces, the Bosnian Government has not given up. Against all odds, and at great peril, it has resisted efforts to drive Bosnia and Herzegovina into extinction. These challenges have come on the battlefield and off.

Mr. President, recently I took the floor to express my profound disappointment at the latest plan for Bosnia. I am deeply troubled over these and other developments which fly in the face of the principles enshrined in the Helsinki Final Act and the U.N. Charter. Among these is the principle of territorial integrity.

If we, through our action or inaction, abandon this principle, we are sending the signal that might makes right. We are saying that borders can, in fact, be changed through the threat or use of force. This would open a Pandora's box, particularly for smaller, more vulnerable states.

Mr. President, today I am introducing a resolution, along with Senators D'AMATO, LIEBERMAN, BIDEN, and DOLE on the territorial integrity of Bosnia and Herzegovina in keeping with our international commitments and obligations. It says that we will, in fact, refrain from any action which directly or indirectly undermines the sovereignty, territorial integrity, political independence or the unity of Bosnia and Herzegovina. In addition, it states that the United States will not recognize the incorporation of any of the territory of Bosnia and Herzegovina into that of any neighboring state nor the creation of any new state or states within the borders of Bosnia and Herzegovina resulting from the threat or use of force, coercion, or any other means inconsistent with international law.

Mr. President, nearly two decades ago we committed ourselves to principles designed to bring about peaceful change. Abandonment of these principles will not only undermine the moral authority of the United States as the leader of the democratic world, but will inevitably further jeopardize the peace and stability we have worked so hard to achieve.

Mr. President, the ouster of Yugoslav President Dobrica Cosic, the subsequent police attacks on those protesting this action and the general radicalization of the Serbian leadership signal a dangerous trend. Furthermore, they demonstrate that what is happening in the former Yugoslavia has less to do with so-called centuries-old ethnic feuds than with demagogues in Belgrade fanning nationalist passions to maintain political power.

When their policies are challenged, they are willing even to go after Serbs, those whose interests they are claiming so nobly to defend.

Last week, brutal measures were taken against opposition forces in Serbia, including the arrest and sentencing of over 120 individuals to 60 days in jail for their protest of the policies of the regime of Slobodan Milosevic.

Among those detained are Vuk Draskovic, head of the leading opposition Serbian Renewal Movement, and his wife, Danica, who recently made some bold comments in Serbia's independent media. The use of violence by either side during the course of the demonstrations should obviously be condemned, but the subsequent actions by the Serbian authorities were neither warranted nor legitimate.

Other opposition leaders are being regularly harassed and intimidated by the police, and security has been tightened throughout the republic. According to a recent letter to Milosevic from 19 opposition groups, this crackdown threatens to plunge Serbia into an abyss.

With these antidemocratic policies, Serbian President Milosevic and radical nationalist leader Seselj have done more harm to the interests of Serbia and the Serbian people than anyone. They have undercut those Serbian complaints that were legitimate as Yugoslavia was falling apart, cynically using them as excuses for territorial ambitions, hateful desires and the maintenance of power.

They have made their country the pariah of Europe, and compelled the world, including traditional friends

like the United States, to impose stringent sanctions. The world community has not acted against the Serbian people themselves; it has acted instead—and albeit insufficiently—against these policies of aggression and repression, practiced in Bosnia-Herzegovina and in Kosovo and now displayed in Belgrade as well.

Thousands of Serbs, especially the young and educated, have left their homes for abroad, where they can have the security and the freedom to pursue their dreams like other Europeans of their generation, rather than risk participation in a war that cannot be justified or suffocation in a society increasingly wrapped in its own perceived past. As the recent events in Belgrade show, those that do not conform to the Serbian regime's thinking are not welcome; indeed, they are often branded traitors.

There is not only ethnic cleansing taking place in the former Yugoslavia, but the dangerous cleansing of toleration and democratic ideals as well.

The existence of some democratic opposition in Serbia, despite the efforts to stifle it, testifies to a greater courage and patriotism on the part of its members than that of any of the militants and extremists currently in power.

So that it can survive and hopefully grow, the international community should support this opposition, as it has in other undemocratic countries. The best way to do this would be to engage in a massive broadcast blitz of Serbia from abroad, providing the Serbian citizen with alternative views and more accurate sources of information than are broadcast by the official media, which is under the control of Milosevic's propaganda artists.

As it is now, independent TV and radio are limited in their area of coverage, and, with severe hyperinflation, the print media has become too expensive for the average Serb to use as a regular source of information. Foreign broadcasts can help inform Serbs about what is really happening around them; it can also overcome an unhealthy self-denial among them that their militant brethren are capable of the atrocities they have committed against innocent civilians in Bosnia and Herzegovina.

The United Nations Special Rapporteur for Human Rights in the former Yugoslavia, Mazowiecki, recommended "the establishment of an information agency independent of local authorities * * * granted the means to operate effectively throughout the territory of former Yugoslavia." United States officials and nongovernmental organizations, both inside and outside the former Yugoslavia, have argued the same point.

Unfortunately, while Voice of America has increased its broadcasts to the region somewhat, little more has been done.

This must change, Mr. President. It is important for the world to convince the Serbian population that democratic forces among them are not anti-Serb but exactly the opposite. These forces cannot do that on their own.

I am convinced that only multilaterial air strikes can immediately stop the aggression in Bosnia and Herzegovina, and prevent the conflict's spread to Kosovo, Sandzak, and Macedonia. Support for independent media and democratic opposition in Serbia, however, can only help. It could counter the extreme distortions of the nature of the conflict which spews from the enormous propaganda machines at the disposal of Milosevic, distortions that help generate acquiescence if not support for his policies.

It could also focus on neighboring Croatia and help address the media problem there, as well as provide useful information to the isolated people of Bosnia and Herzegovina. Such broadcasting, according to a recent U.S. Government Humanitarian Assessment Team, could have a significant impact.

In the longer term, Mr. President, freely flowing information will help foster the reconciliation between the ethnic communities throughout the former Yugoslav federation.

As last week's events in Belgrade demonstrate, however, its most immediate task is to help save Serbia from itself. In doing so, and with more forceful international action in Bosnia and Herzegovina than we have seen so far, we can help save Serbia's neighbors in the process.

Mr. President, I ask unanimous consent that an article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 8, 1993]

NIGHT OF THE LONG KNIVES IN BELGRADE

(By Georgie Anne Geyer)

ZAGREB, CROATIA.—Americans who were raised on "Sticks and stones may break your bones but words will never hurt you," will never understand what was happening in Belgrade last week. It was the night of the long knives for the proud and poisonous men of words who really started this war.

On the television screens of the world, Belgrade was exploding with street riots against the government of Slobodan Milosevic. Riot police beat up Belgraders in the heart of opposition territory. Journalists duly and soberly announced that all of this was a move against those elusive Serb "moderates."

Indeed, it reminded me forcefully of the dire predictions of Serbian intellectuals when I was in Belgrade last October. "The radicals talk privately about the day they will march on Belgrade and destroy all the moderates," Milos Vasic, the remarkable editor of Vreme, the Time magazine of Yugoslavia, told me. "They believe their day is coming."

But this week was far more confused than that. For the removal of Dobrica Cosic, the famous, white-maned storyteller and writer of grand Serbian epics, was the ostensible reason for the riots this week. As president of what was left of the Yugoslav Federation, he had been seen as a kind of moderating influence.

But, just who was this grand fatherly-looking man who seemed of late to be standing up to the wild-eyed Mr. Milosevic? Why, he was no less than the very ideological author of the entire Serb holocaust. It was the writings of this "kindly" gentleman that inspired an entire generation of Serbs to believe they were the oppressed of the Earth—but that they deserved to be the monarchs of it. "Serbs gain in war and lose in peace," he used to like to say, in the old days, before it became rather obvious that some Serbs also lose in war.

The prominent Slovenian writer Svetlana Slapsak writes of him: "Mr. Cosic holds up a mirror to the Serbian people that reflects a gloomy collective portrait of warriors who think only of glory, national aims and generally abstract achievements, but who are surrounded by tricky 'Westerners' who manipulate them."

Another leader who was felled by the final fanaticization of the country this week was the melodramatic Vuk Draskovic, leader (now) of the democratic movement. With his flowing black hair and beard and noble nose, Mr. Draskovic walked arm in arm with the demonstrators—until the police took him, broke his nose and cheekbones, and left him comatose and half-alive in the hospital. Before that, he had said of Mr. Cosic's fate, "The children arrested the father." He could have said those same words of himself, for he, too, was one of the early radical haranguers.

They thought they were just playing grand word games, you see, manipulating the dangerous emotions of their compatriots for the fun of the intellectuals' special kind of power. When they saw it had come to 150,000 dead and a country destroyed, they and others less famous than these two tried abortively to pull away—that wasn't what they had in mind!

But the clever, odious politicians knew how to manipulate their words. Since 1987, when he took power as president of Serbia, the darty-eyed Mr. Milosevic immediately began to use the words of such as Messrs. Cosic and Draskovic to form fanaticized Serb militias to convince the Serbs that there were enemies all about, and finally to wipe out those "others," those Croats, those Muslims. . . .

This week, then, marked the final radicalization of the regime. Standing alongside Mr. Milosevic now are only Vojislav Seselj (who says he would like to carve out Croats' eyes with rusty spoons) and Yeljko Razniatovic (the bully, wanted for armed robbery in Sweden, who terrorized Bosnia and Croatia as the terrorist "Arkan").

In a grotesque kind of way, this is good for the West. It tears away any last fig leaf that may be left for the naive Western leaders who dreamed that Belgrade might change. The total criminalization of the regime is now complete, clear, unequivocal. What you see is really what you get.

I will make you a couple of bets. One, in six to 10 months, Slobodan Milosevic will be out, probably murdered by one of these swell guys he now has around him. (We know that he has already been practicing desperate getaways from his underground bunker.) Two, this total radicalization of the regime, buoyed by the Western failure to engage here, means that further violent and brutal expansionism is now inevitable.

Men such as Mr. Seselj and Arkan cannot stop. They are driven to ever more desperate

and diabolical acts. Indeed, Arkan is already in the southern Albanian-majority province of Kosovo, strutting about the Serb police-controlled streets and predicting a bloodbath.

So if the leaders of the West think the Serbs will win in Bosnia, and that will be that, they are misunderstanding words even more badly than did poor old white-thatched Mr. Cosic and black-bearded Mr. Draskovic. This conflict is not about to end; it is really only beginning.

AMENDMENTS SUBMITTED

CONGRESSIONAL CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT OF 1993

NICKLES AMENDMENT NO. 403

Mr. NICKLES proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill (S. 3) entitled the "Congressional Spending Limit and Election Reform Act of 1993," as follows:

On page 23, between lines 19 and 20, insert the following:

"(f) LIMIT ON AMOUNT OF PUBLIC BENEFITS TO WHICH A CANDIDATE IS ENTITLED.—Notwithstanding any other provision of this Act, the total value of the benefits described in subsection (a) (1), (2), (3), and (4) to which an eligible Senate candidate is entitled shall not exceed $1,000,000."

KEMPTHORNE AMENDMENT NO. 404

(Ordered to lie on the table.)

Mr. KEMPTHORNE submitted an amendment intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

On page 8, between lines 4 and 5, insert the following:

"(F) the candidate agrees that—

"(i) the candidate will be responsible and accountable for the content of any advertisement paid for by use of a benefit provided under this title;

"(ii) if an opponent of the candidate is mentioned or referred to in a television or radio advertisement, the candidate will make such mention or reference in an audio recording in the candidate's own voice (unless the candidate cannot comply by reason of disability) and, in the case of a television advertisement, while the candidate appears prominently on the screen; and

"(iii) if an opponent of the candidate is mentioned or referred to in a printed advertisement, a prominent picture of the candidate will appear in the advertisement."

KERRY AMENDMENTS NOS. 405 AND 406

(Ordered to lie on the table.)

Mr. KERRY submitted two amendments intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

AMENDMENT NO. 405

On page 17, after line 8, insert the following:

"(g) EXCLUSION OF GRASS-ROOT SMALL CONTRIBUTIONS FROM RESIDENT INDIVIDUALS FROM THE GENERAL ELECTION EXPENDITURE LIMIT.—(1) Notwithstanding subsection (b) and any other provision of this title, an eligible Senate candidate may accept, and use for the purpose of making expenditures for a general election, a contribution described in paragraph (2).

"(2) A contribution is described in this paragraph if it is a contribution that—

"(A) is made by an individual who is a resident of the candidate's State;

"(B) is, in the aggregate with all other contributions made by the individual for the general election, in an amount that does not exceed $50; and

"(C) is made by the individual after the date on which the candidate met the threshold contribution requirement under section 502(e)."

AMENDMENT NO. 406

On page 5, strike line 13 through page 6, line 7, and insert the following:

"tures from personal funds under section 502(a);

"(D) the candidate's authorized committees will meet the closed captioning requirements of section 509;

"(E) the candidate and the candidate's authorized committees will not accept contributions from multicandidate political committees.

"(2) The declaration under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

"(c) GENERAL ELECTION FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate certifies to the Secretary of the Senate, under penalty of perjury, that—

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

"(i) met the primary and runoff election expenditure limits under subsection (d); and

"(ii) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (d), whichever is applicable, reduced by any amounts transferred to this election cycle from a preceding election cycle;

"(iii) did not accept contributions from multicandidate committees for the primary and runoff elections."

FAIRCLOTH AMENDMENTS NOS. 407–410

(Ordered to lie on the table.)

Mr. FAIRCLOTH submitted four amendments intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

AMENDMENT NO. 407

Add at the end of the bill the following new section:

"SEC. . (a) It is the sense of the Senate that no person may serve in the Senate more than 2 full terms as a Senator, and no person may serve in the House of Representatives more than 6 full terms as a Representative.

"(b) Service as a Senator or Representative before this amendment takes effect shall not be taken into account in determining service under subparagraph A."

AMENDMENT NO. 408

Add at the end of the amendment of Senator Faircloth concerning term limitations the following:

"(c) Notwithstanding any other provision of the Senate rules, the Senate hereby directs the Senate Committee on Rules and Administration to report, before the end of the first session of the 103rd Congress, a resolution proposing an amendment to the Constitution to achieve the limitation expressed in subparagraph A. of this subsection."

AMENDMENT NO. 409

Add at the end of the bill the following new section:

"SEC. . It is the sense of the Congress that the following article should become an amendment to the Constitution of the United States of America:

"'ARTICLE —

"'SECTION 1. No person may serve in Congress more than two full terms as a Senator. No person may serve in Congress more than six full terms as a Representative.

"'SECTION. 2. Service as a Senator or Representative before his article takes effect shall not be taken into account in determining service under Section 1.'"

AMENDMENT NO. 410

"SEC. . As an exercise of its Constitutional power to make its own rules, no Senator shall be sworn as a member of the Senate or be permitted to be seated therein for any period in excess of 12 years."

EXON AMENDMENTS NOS. 411–431

(Ordered to lie on the table.)

Mr. EXON submitted 21 amendments intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

AMENDMENT NO. 411

On page 7, line 7, strike "by—" and all that follows through "(II)" on line 10 and insert "by".

On page 12, line 25, strike "$1,200,000" and insert "$950,000".

On page 17, add "and" at the end of line 16.

On page 17, strike lines 17 through 21 and insert the following:

"(3) payments from the Senate Election Campaign fund in an amount equal to—

"(A) the excess expenditure amount determined under subsection (b); and

"(B) the independent expenditure amount determined under subsection (c)."

On page 17, line 23, strike "(a)(3)" and insert "(a)(2)(A)".

On page 19, strike line 10 and all that follows through page 21, line 6, and insert the following:

"(c) INDEPENDENT EXPENDITURE AMOUNT.—For purposes of subsection (a)(2)(B), the amount determined under this subsection is the total amount of independent expenditures made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of, an eligible Senate candidate which are required to be reported by such persons under section 304(c) with respect to the general election period and are certified by the Commission under section 304(c)."

On page 24, lines 8 through 10, strike "or to receive voter communication vouchers and the amount of such payments or vouchers" and insert "and the amount of such payments".

On page 26, line 5, strike "or vouchers".

On page 26, line 14, strike "and vouchers".

On page 32, line 7, strike "or vouchers".

On page 32, strike line 23 and all that follows through page 33, line 4, and insert the following:

"(A) Amounts received in the Treasury that are equivalent to the increase in Federal revenues by reason of the imposition of income tax on political committees of candidates who do not abide by the Federal campaign spending limits."

On page 33, line 25, strike "subsection (d)" and insert "subsection (c)".

On page 34, strike lines 4 through 9.

On page 34, line 10, strike "(d)" and insert "(c)".

On page 34, lines 12 and 13, strike ", or issuance of a voucher,".

On page 34, line 21, strike "and vouchers".

On page 35, line 21, strike "(including vouchers)".

On page 136, strike lines 19 through 24 and insert the following:

(b) FUNDING.—Legislation effectuating this Act shall not provide for general revenue increases, reduce expenditures for any existing Federal programs, or increase the Federal budget deficit, but shall provide that the legislation be funded by imposing a Federal income tax at the top corporate rate on political committees of candidates who do not abide by the Federal campaign spending limits.

AMENDMENT NO. 412

On page 7, line 7, strike "by—" and all that follows through "(II)" on line 10 and insert "by".

AMENDMENT NO. 413

On page 12, line 25, strike "$1,200,000" and insert "$950,000".

AMENDMENT NO. 414

On page 17, add "and" at the end of line 16.

AMENDMENT NO. 415

On page 17, strike lines 17 through 21 and insert the following:

"(3) payments from the Senate Election Campaign fund in an amount equal to—

"(A) the excess expenditure amount determined under subsection (b); and

"(B) the independent expenditure amount determined under subsection (c)."

AMENDMENT NO. 416

On page 17, line 23, strike "(a)(3)" and insert "(a)(2)(A)".

AMENDMENT NO. 417

On page 19, strike line 10 and all that follows through page 21, line 6, and insert the following:

"(c) INDEPENDENT EXPENDITURE AMOUNT.—For purposes of subsection (a)(2)(B), the amount determined under this subsection is the total amount of independent expenditures made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of, an eligible Senate candidate which are required to be reported by such persons under section 304(c) with respect to the general election period and are certified by the Commission under section 304(c)."

AMENDMENT NO. 418

On page 24, lines 8 through 10, strike "or to receive voter communication vouchers and the amount of such payments or vouchers" and insert "and the amount of such payments".

AMENDMENT NO. 419

On page 26, line 5, strike "or vouchers".

AMENDMENT NO. 420

On page 26, line 14, strike "and vouchers".

AMENDMENT NO. 421

On page 32, line 7, strike "or vouchers".

AMENDMENT NO. 422

On page 32, strike line 23 and all that follows through page 33, line 4, and insert the following:

"(A) Amounts received in the Treasury that are equivalent to the increase in Federal revenues by reason of the imposition of income tax on political committees of candidates who do not abide by the Federal campaign spending limits."

AMENDMENT NO. 423

On page 33, line 25, strike "subsection (d)" and insert "subsection (c)".

AMENDMENT NO. 424

On page 34, strike lines 4 through 9.

AMENDMENT NO. 425

On page 34, line 10, strike "(d)" and insert "(c)".

AMENDMENT NO. 426

On page 34, lines 12 and 13, strike ", or issuance of a voucher,".

AMENDMENT NO. 427

On page 34, line 21, strike "and vouchers".

AMENDMENT NO. 428

On page 35, line 21, strike "(including vouchers)".

AMENDMENT NO. 429

On page 136, strike lines 19 through 24 and insert the following:

(b) FUNDING.—Legislation effectuating this Act shall not provide for general revenue increases, reduce expenditures for any existing Federal programs, or increase the Federal budget deficit, but shall provide that the legislation be funded by imposing a Federal income tax at the top corporate rate on political committees of candidates who do not abide by the Federal campaign spending limits.

AMENDMENT NO. 430

On page 1, line 2, strike out all after the word "section" and insert the following:

1. SHORT TITLE; AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Congressional Campaign Spending Limit and Election Reform Act of 1993".

(b) AMENDMENT OF FECA.—When used in this Act, the term "FECA" means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of Campaign Act; table of contents.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—Senate Election Campaign Spending Limits and Benefits

Sec. 101. Senate spending limits and benefits.
Sec. 102. Ban on activities of political action committees in Federal elections.
Sec. 103. Reporting requirements.
Sec. 104. Disclosure by noneligible candidates.
Sec. 105. Excess campaign funds of Senate candidates.

Subtitle B—General Provisions

Sec. 131. Broadcast rates and preemption.
Sec. 132. Extension of reduced third-class mailing rates to eligible Senate candidates.
Sec. 133. Reporting requirements for certain independent expenditures.
Sec. 134. Campaign advertising amendments.
Sec. 135. Definitions.
Sec. 136. Provisions relating to franked mass mailings.

TITLE II—INDEPENDENT EXPENDITURES

Sec. 201. Clarification of definitions relating to independent expenditures.
Sec. 202. Equal broadcast time.

TITLE III—EXPENDITURES

Subtitle A—Personal Loans; Credit

Sec. 301. Personal contributions and loans.
Sec. 302. Extensions of credit.

Subtitle B—Provisions Relating to Soft Money of Political Parties

Sec. 311. Definitions.
Sec. 312. Contributions to political party committees.
Sec. 313. Provisions relating to national, State, and local party committees.
Sec. 314. Restrictions on fundraising by candidates and officeholders.
Sec. 315. Reporting requirements.

TITLE IV—CONTRIBUTIONS

Sec. 401. Contributions through intermediaries and conduits; prohibition on certain contributions by lobbyists.
Sec. 402. Contributions by dependents not of voting age.
Sec. 403. Contributions to candidates from State and local committees of political parties to be aggregated.
Sec. 404. Contributions and expenditures using money secured by physical force or other intimidation.
Sec. 405. Prohibition of acceptance by a candidate of cash contributions from any one person aggregating more than $100.

TITLE V—REPORTING REQUIREMENTS

Sec. 501. Change in certain reporting from a calendar year basis to an election cycle basis.
Sec. 502. Personal and consulting services.
Sec. 503. Computerized indices of contributions.
Sec. 504. Filing of reports using computers and facsimile machines.
Sec. 505. Political committees.

TITLE VI—FEDERAL ELECTION COMMISSION

Sec. 601. Use of candidates' names.
Sec. 602. Reporting requirements.
Sec. 603. Provisions relating to the general counsel of the Commission.
Sec. 604. Enforcement.
Sec. 605. Penalties.
Sec. 606. Audits.
Sec. 607. Prohibition of false representation to solicit contributions.
Sec. 608. Regulations relating to use of non-Federal money.
Sec. 609. Simultaneous registration of candidate and candidate's principal campaign committee.
Sec. 610. Reimbursement fund.
Sec. 611. Insolvent political committees.

TITLE VII—MISCELLANEOUS

Sec. 701. Prohibition of leadership committees.
Sec. 702. Polling data contributed to candidates.
Sec. 703. Debates by general election candidates who receive amounts from the Presidential Election Campaign Fund.

Sec. 704. Telephone voting by persons with disabilities.
Sec. 705. Provisions relating to Presidential primary elections.
Sec. 706. Certain tax-exempt organizations not subject to corporate limits.
Sec. 707. Aiding and abetting violations of FECA.
Sec. 708. Deposit of repayments of excess payments from the Presidential Election Campaign Fund.
Sec. 709. Disqualification from receiving public funding for Presidential election campaigns.
Sec. 710. Prohibition of contributions to Presidential candidates who receive public funding in the general election campaign.

TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS

Sec. 801. Effective date.
Sec. 802. Budget neutrality.
Sec. 803. Severability.
Sec. 804. Expedited review of constitutional issues.
Sec. 805. Regulations.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—Senate Election Campaign Spending Limits and Benefits

SEC. 101. SENATE SPENDING LIMITS AND BENEFITS.

(a) IN GENERAL.—FECA is amended by adding at the end thereof the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.

"(a) IN GENERAL.—For purposes of this title, a candidate is an eligible Senate candidate if the candidate—

"(1) meets the primary and general election filing requirements of subsections (b) and (c);

"(2) meets the primary and runoff election expenditure limits of subsection (d); and

"(3) meets the threshold contribution requirements of subsection (e).

"(b) PRIMARY FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate files with the Secretary of the Senate a declaration that—

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

"(i) will meet the primary and runoff election expenditure limits of subsection (d); and

"(ii) will only accept contributions for the primary and runoff elections which do not exceed such limits;

"(B) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 502(b);

"(C) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 502(a); and

"(D) the candidate and the candidate's authorized committees will meet the closed captioning requirements of section 509.

"(2) The declaration under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

"(c) GENERAL ELECTION FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate certifies to the Secretary of the Senate, under penalty of perjury, that—

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

"(i) met the primary and runoff election expenditure limits under subsection (d); and

"(ii) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (d), whichever is applicable, reduced by any amounts transferred to this election cycle from a preceding election cycle;

"(B) the candidate met the threshold contribution requirement under subsection (e), and that only allowable contributions were taken into account in meeting such requirement;

"(C) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(D) such candidate and the authorized committees of such candidate—

"(i) except as otherwise provided by this title, will not make expenditures which exceed the general election expenditure limit under section 502(b);

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

"(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that such contribution would cause the aggregate amount of such contributions to exceed the sum of the amount of the general election expenditure limit under section 502(b) and the amounts described in subsections (c), (d), and (e) of section 502, reduced by any amounts transferred to this election cycle from a previous election cycle and not taken into account under subparagraph (A)(ii);

"(iv) will deposit all payments received under this title in an account insured by the Federal Deposit Insurance Corporation from which funds may be withdrawn by check or similar means of payment to third parties;

"(v) will furnish campaign records, evidence of contributions, and other appropriate information to the Commission;

"(vi) will cooperate in the case of any audit and examination by the Commission under section 505 and will pay any amounts required to be paid under that section; and

"(vii) will meet the closed captioning requirements of section 509; and

"(E) the candidate intends to make use of the benefits provided under section 503.

"(2) The certification under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date the candidate qualifies for the general election ballot under State law; or

"(B) if, under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

"(d) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—(1) The requirements of this subsection are met if:

"(A) The candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

"(i) 67 percent of the general election expenditure limit under section 502(b); or

"(ii) $2,750,000.

"(B) The candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 502(b).

"(2) The limitations under subparagraphs (A) and (B) of paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, which are required to be reported to the Secretary of the Senate or to the Commission with respect to such period under section 304.

"(3)(A) If the contributions received by the candidate or the candidate's authorized committees for the primary election or runoff election exceed the expenditures for either such election, such excess contributions shall be treated as contributions for the general election and expenditures for the general election may be made from such excess contributions.

"(B) Subparagraph (A) shall not apply to the extent that such treatment of excess contributions—

"(i) would result in the violation of any limitation under section 315; or

"(ii) would cause the aggregate contributions received for the general election to exceed the limits under subsection (c)(1)(D)(iii).

"(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to the lesser of—

"(A) 10 percent of the general election expenditure limit under section 502(b); or

"(B) $250,000.

"(2) For purposes of this section and subsections (b) and (c) of section 503—

"(A) The term 'allowable contributions' means contributions which are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor.

"(B) The term 'allowable contributions' shall not include—

"(i) contributions made directly or indirectly through an intermediary or conduit which are treated as made by such intermediary or conduit under section 315(a)(8)(B);

"(ii) contributions from any individual during the applicable period to the extent such contributions exceed $250; or

"(iii) contributions from individuals residing outside the candidate's State to the extent such contributions exceed 50 percent of the aggregate allowable contributions (without regard to this clause) received by the candidate during the applicable period.

Clauses (ii) and (iii) shall not apply for purposes of section 503(b).

"(3) For purposes of this subsection and subsections (b) and (c) of section 503, the term 'applicable period' means—

"(A) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on—

"(i) the date on which the certification under subsection (c) is filed by the candidate; or

"(ii) for purposes of subsections (b) and (c) of section 503, the date of such general election; or

"(B) in the case of a special election for the office of United States Senator, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election involved.

"(f) INDEXING.—The $2,750,000 amount under subsection (d)(1) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that, for purposes of subsection (d)(1) and section

502(b)(3), the base period shall be calendar year 1996.

"SEC. 502. LIMITATIONS ON EXPENDITURES.

"(a) LIMITATION ON USE OF PERSONAL FUNDS.—(1) The aggregate amount of expenditures which may be made during an election cycle by an eligible Senate candidate or such candidate's authorized committees from the sources described in paragraph (2) shall not exceed the lesser of—

"(A) 10 percent of the general election expenditure limit under subsection (b); or

"(B) $250,000.

"(2) A source is described in this paragraph if it is—

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

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

"(b) GENERAL ELECTION EXPENDITURE LIMIT.—(1) Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) $5,500,000; or

"(B) the greater of—

"(i) $950,000; or

"(ii) $400,000; plus

"(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) In the case of an eligible Senate candidate in a State which has no more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(3) The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 501(f) (relating to indexing).

"(c) LEGAL AND ACCOUNTING COMPLIANCE FUND.—(1) The limitation under subsection (b) shall not apply to qualified legal and accounting expenditures made by a candidate or the candidate's authorized committees or a Federal officeholder from a legal and accounting compliance fund meeting the requirements of paragraph (2).

"(2) A legal and accounting compliance fund meets the requirements of this paragraph if—

"(A) the fund is established with respect to qualified legal and accounting expenditures incurred with respect to a particular general election;

"(B) the only amounts transferred to the fund are amounts received in accordance with the limitations, prohibitions, and reporting requirements of this Act;

"(C) the aggregate amounts transferred to, and expenditures made from, the fund with respect to the election cycle do not exceed the sum of—

"(i) the lesser of—

"(I) 15 percent of the general election expenditure limit under subsection (b) for the general election for which the fund was established; or

"(II) $300,000; plus

"(ii) the amount determined under paragraph (4); and

"(D) no funds received by the candidate pursuant to section 503(a)(3) may be transferred to the fund.

"(3) For purposes of this subsection, the term 'qualified legal and accounting expenditures' means the following:

"(A) Any expenditures for costs of legal and accounting services provided in connection with—

"(i) any administrative or court proceeding initiated pursuant to this Act for the general election for which the legal and accounting fund was established; or

"(ii) the preparation of any documents or reports required by this Act or the Commission.

"(B) Any expenditures for legal and accounting services provided in connection with the general election for which the legal and accounting compliance fund was established to ensure compliance with this Act with respect to the election cycle for such general election.

"(4)(A) If, after a general election, a candidate determines that the qualified legal and accounting expenditures will exceed the limitation under paragraph (2)(C)(i), the candidate may petition the Commission by filing with the Secretary of the Senate a request for an increase in such limitation. The Commission shall authorize an increase in such limitation in the amount (if any) by which the Commission determines the qualified legal and accounting expenditures exceed such limitation. Such determination shall be subject to judicial review under section 506.

"(B) Except as provided in section 315, any contribution received or expenditure made pursuant to this paragraph shall not be taken into account for any contribution or expenditure limit applicable to the candidate under this title.

"(5) Any funds in a legal and accounting compliance fund shall be treated for purposes of this Act as a separate segregated fund, except that any portion of the fund not used to pay qualified legal and accounting expenditures, and not transferred to a legal and accounting compliance fund for the election cycle for the next general election, shall be treated in the same manner as other campaign funds for purposes of section 313(b).

"(d) PAYMENT OF TAXES ON EARNINGS.—The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local income taxes on the earnings of a candidate's authorized committees.

"(e) CERTAIN EXPENSES.—In the case of an eligible Senate candidate who holds a Federal office, the limitation under subsection (b) shall not apply to ordinary and necessary expenses of travel of such individual and the individual's spouse and children between Washington, D.C. and the individual's State in connection with the individual's activities as a holder of Federal office.

"(f) EXPENDITURES.—For purposes of this title, the term 'expenditure' has the meaning given such term by section 301(9), except that in determining any expenditures made by, or on behalf of, a candidate or a candidate's authorized committees, section 301(9)(B) shall be applied without regard to clause (ii) thereof.

"SEC. 503. BENEFITS ELIGIBLE CANDIDATE ENTITLED TO RECEIVE.

"(a) IN GENERAL.—An eligible Senate candidate shall be entitled to—

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

"(2) the mailing rates provided in section 3626(e) of title 39, United States Code;

"(3) payments from the Senate Election Campaign Fund in an amount equal to—

"(A) the excess expenditure amount determined under subsection (b); and

"(B) the independent expenditure amount determined under subsection (c).

"(b) EXCESS EXPENDITURE AMOUNT.—(1) For purposes of subsection (a)(2)(A), except as provided in section 510(d), the amount determined under this subsection is, in the case of an eligible Senate candidate who has an opponent in the general election who receives contributions, or makes (or obligates to make) expenditures, for such election in excess of the general election expenditure limit under section 502(b), the excess expenditure amount.

"(2) For purposes of paragraph (1), the excess expenditure amount is the amount determined as follows:

"(A) In the case of a major party candidate, an amount equal to the sum of—

"(i) if the excess described in paragraph (1) is less than 133⅓ percent of the general election expenditure limit under section 502(b), an amount equal to one-third of such limit applicable to the eligible Senate candidate for the election; plus

"(ii) if such excess equals or exceeds 133⅓ percent but is less than 166⅔ percent of such limit, an amount equal to one-third of such limit; plus

"(iii) if such excess equals or exceeds 166⅔ percent of such limit, an amount equal to one-third of such limit.

"(B) In the case of an eligible Senate candidate who is not a major party candidate, an amount equal to the least of the following:

"(i) The allowable contributions of the eligible Senate candidate during the applicable period in excess of the threshold contribution requirement under section 501(e).

"(ii) 50 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(iii) The excess described in paragraph (1).

"(c) INDEPENDENT EXPENDITURE AMOUNT.—For purposes of subsection (a)(2)(B), the amount determined under this subsection is the total amount of independent expenditures made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of an eligible Senate candidate which are required to be reported by such persons under section 304(c) with respect to the general election period and are certified by the Commission under section 304(c).

"(d) WAIVER OF EXPENDITURE AND CONTRIBUTION LIMITS.—(1)(A) An eligible Senate candidate who receives payments under subsection (a)(3) may make expenditures from such payments to defray expenditures for the general election without regard to the general election expenditure limit under section 502(b).

"(B) In the case of an eligible Senate candidate who is not a major party candidate, the general election expenditure limit under section 502(b) with respect to such candidate shall be increased by the amount (if any) by which the excess described in subsection (b)(1) exceeds the amount determined under subsection (b)(2)(B) with respect to such candidate.

"(2)(A) An eligible Senate candidate who receives benefits under this section may make expenditures for the general election without regard to clause (i) of section 501(c)(1)(D) or subsection (a) or (b) of section 502 if any one of the eligible Senate candidate's opponents who is not an eligible Senate candidate either raises aggregate

contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 200 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(B) The amount of the expenditures which may be made by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(3)(A) A candidate who receives benefits under this section may receive contributions for the general election without regard to clause (iii) of section 501(c)(1)(D) if—

"(i) a major party candidate in the same general election is not an eligible Senate candidate; or

"(ii) any other candidate in the same general election who is not an eligible Senate candidate raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 75 percent of the general election expenditure limit applicable to such other candidate under section 502(b).

"(B) The amount of contributions which may be received by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(e) USE OF PAYMENTS.—Payments received by a candidate under subsection (a)(3) shall be used to defray expenditures incurred with respect to the general election period for the candidate. Such payments shall not be used—

"(1) except as provided in paragraph (4), to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate;

"(2) to make any expenditure other than expenditures to further the general election of such candidate;

"(3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made; or

"(4) subject to the provisions of section 315(j), to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—(1) The Commission shall certify to any candidate meeting the requirements of section 501 that such candidate is an eligible Senate candidate entitled to benefits under this title. The Commission shall revoke such certification if it determines a candidate fails to continue to meet such requirements.

"(2) No later than 48 hours after an eligible Senate candidate files a request with the Secretary of the Senate to receive benefits under section 503, the Commission shall issue a certification stating whether such candidate is eligible for payments under this title from the Senate Election Campaign Fund and the amount of such payments to which such candidate is entitled. The request referred to in the preceding sentence shall contain—

"(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

"(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 505 and judicial review under section 506.

"SEC. 505. EXAMINATION AND AUDITS; REPAYMENTS; CIVIL PENALTIES.

"(a) EXAMINATION AND AUDITS.—(1) The Commission shall conduct an examination and audit of the candidates' campaign accounts in 10 percent of the elections to seats in the Senate in each general election, and of the candidates' campaign accounts in each special election to a seat in the Senate, to determine, among other things, whether such candidates have complied with the expenditure limits and conditions of eligibility of this title, and other requirements of this Act. Such candidates shall be designated by the Commission through the use of an appropriate statistical method of random selection. If the Commission selects a general election to a Senate seat for examination and audit, the Commission shall examine and audit the campaign activities of all candidates in that general election whose expenditures were equal to or greater than 30 percent of the general election expenditure limit under section 502(b) for that election.

"(2) The Commission may conduct an examination and audit of the campaign accounts of any candidate in a general election for the office of United States Senator if the Commission determines that there exists reason to believe that such candidate may have violated any provision of this title.

"(b) EXCESS PAYMENTS; REVOCATION OF STATUS.—(1) If the Commission determines that payments were made to an eligible Senate candidate under this title in excess of the aggregate amounts to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay an amount equal to the excess.

"(2) If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a)(1), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the payments received under this title.

"(c) MISUSE OF BENEFITS.—If the Commission determines that any amount of any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, the Commission shall so notify such candidate and such candidate shall pay the amount of such benefit.

"(d) EXCESS EXPENDITURES.—If the Commission determines that any eligible Senate candidate who has received benefits under this title has made expenditures which in the aggregate exceed—

"(1) the primary or runoff expenditure limit under section 501(d); or

"(2) the general election expenditure limit under section 502(b),

the Commission shall so notify such candidate and such candidate shall pay an amount equal to the amount of the excess expenditures.

"(e) CIVIL PENALTIES.—(1) If the Commission determines that a candidate has committed a violation described in subsection (c), the Commission may assess a civil penalty against such candidate in an amount not greater than 200 percent of the amount involved.

"(2)(A) LOW AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 2.5 percent or less shall pay an amount equal to the amount of the excess expenditures.

"(B) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by more than 2.5 percent and less than 5 percent shall pay an amount equal to three times the amount of the excess expenditures.

"(C) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 5 percent or more shall pay an amount equal to the sum of—

"(i) three times the amount of the excess expenditures plus an additional amount determined by the Commission, plus

"(ii) if the Commission determines such excess expenditures were willful, an amount equal to the benefits the candidate received under this title.

"(f) UNEXPENDED FUNDS.—Any amount received by an eligible Senate candidate under this title and not expended on or before the date of the general election shall be repaid within 30 days of the election, except that a reasonable amount may be retained for a period not exceeding 120 days after the date of the general election for the liquidation of all obligations to pay expenditures for the general election incurred during the general election period. At the end of such 120-day period, any unexpended funds received under this title shall be promptly repaid.

"(g) PAYMENTS RETURNED TO SOURCE.—Any payment, repayment, or civil penalty required by this section shall be paid to the entity from which benefits under this title were paid to the eligible Senate candidate.

"(h) LIMIT ON PERIOD FOR NOTIFICATION.—No notification shall be made by the Commission under this section with respect to an election more than three years after the date of such election.

"SEC. 506. JUDICIAL REVIEW.

"(a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) APPLICATION OF TITLE 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

"(c) AGENCY ACTION.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

"SEC. 507. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) APPEARANCES.—The Commission is authorized to appear in and defend against any action instituted under this section and under section 506 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) INSTITUTION OF ACTIONS.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under this title to be

payable to any entity from which benefits under this title were paid.

"(c) INJUNCTIVE RELIEF.—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) APPEALS.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 508. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible Senate candidate and the authorized committees of such candidate;

"(2) the amounts certified by the Commission under section 504 as benefits available to each eligible Senate candidate;

"(3) the amount of repayments, if any, required under section 505 and the reasons for each repayment required; and

"(4) the balance in the Senate Election Campaign Fund (and any account thereof).

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) RULES AND REGULATIONS.—The Commission is authorized to prescribe (in accordance with the provisions of subsection (c)) such rules and regulations, to conduct such examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(c) STATEMENT TO SENATE.—Thirty days before prescribing any rule or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explanation and justification of such rule or regulation.

"SEC. 509. CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF ELIGIBLE SENATE CANDIDATES.

"No eligible Senate candidate may receive amounts under section 503(a)(3) under section 503(a)(4) unless such candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains, is accompanied by, or otherwise readily permits closed captioning of the oral content of the commercial to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.

"SEC. 510. SENATE ELECTION CAMPAIGN FUND.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—(1) There is hereby established on the books of the Treasury of the United States a special fund to be known as the Senate Election Campaign Fund (hereafter in this section referred to as 'the Fund').

"(2) There are hereby appropriated to the Fund the following amounts:

"(A) Amounts received in the Treasury that are equivalent to the increase in Federal revenues by reason of the imposition of income tax on political committees of candidates who do not abide by the Federal campaign spending limits.

"(B) Amounts transferred to the Fund under any provision of this Act.

"(C) Amounts credited to the Fund under paragraph (3).

"(3) The Secretary of the Treasury shall transfer amounts to, and manage, the Fund in the manner provided under subchapter B of chapter 98 of the Internal Revenue Code of 1986.

"(4) Amounts in the Fund shall, subject to the availability of appropriations, be available only for the purposes of—

"(A) providing benefits under this title; and

"(B) making expenditures in connection with the administration of the Fund.

"(5) The Secretary shall maintain such accounts in the Fund as may be required by this title or which the Secretary determines to be necessary to carry out the provisions of this title.

"(b) PAYMENTS UPON CERTIFICATION.—Upon receipt of a certification from the Commission under section 504, except as provided in subsection (c), the Secretary shall, subject to the availability of appropriations, promptly pay the amount certified by the Commission to the candidate out of the Fund.

"(c) REDUCTIONS IN PAYMENTS IF FUNDS INSUFFICIENT.—(1) If, at the time of a certification by the Commission under section 504 for payment to an eligible candidate, the Secretary determines that the monies in the Fund are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from the amount of such payment or voucher such amount as the Secretary determines to be necessary to assure that each eligible candidate will receive the same pro rata share of such candidate's full entitlement.

"(2) Amounts withheld under paragraph (1) shall be paid when the Secretary determines that there are sufficient monies in the Fund to pay all, or a portion thereof, to all eligible candidates from whom amounts have been withheld, except that if only a portion is to be paid, it shall be paid in such manner that each eligible candidate receives an equal pro rata share of such portion.

"(3)(A) Not later than December 31 of any calendar year preceding a calendar year in which there is a regularly scheduled general election, the Secretary, after consultation with the Commission, shall make an estimate of—

"(i) the amount of monies in the Fund which will be available to make payments required by this title in the succeeding calendar year; and

"(ii) the amount of expenditures which will be required under this title in such calendar year.

"(B) If the Secretary determines that there will be insufficient monies in the Fund to make the expenditures required by this title for any calendar year, the Secretary shall notify each candidate on January 1 of such calendar year (or, if later, the date on which an individual becomes a candidate) of the amount which the Secretary estimates will be the pro rata reduction in each eligible candidate's payments under this subsection. Such notice shall be by registered mail.

"(C) The amount of the eligible candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of the estimated pro rata reduction.

"(4) The Secretary shall notify the Commission and each eligible candidate by registered mail of any actual reduction in the amount of any payment by reason of this subsection. If the amount of the reduction exceeds the amount estimated under paragraph (3), the candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of such excess.".

(b) EFFECTIVE DATES.—(1) Except as provided in this subsection, the amendment made by subsection (a) shall apply to elections occurring after December 31, 1994.

(2) For purposes of any expenditure or contribution limit imposed by the amendment made by subsection (a)—

(A) no expenditure made before January 1, 1994, shall be taken into account, except that there shall be taken into account any such expenditure for goods or services to be provided after such date; and

(B) all cash, cash items, and Government securities on hand as of January 1, 1994, shall be taken into account in determining whether the contribution limit is met, except that there shall not be taken into account amounts used during the 60-day period beginning on January 1, 1994, to pay for expenditures which were incurred (but unpaid) before such date.

(c) EFFECT OF INVALIDITY ON OTHER PROVISIONS OF ACT.—If section 501, 502, or 503 of title V of FECA (as added by this section), or any part thereof, is held to be invalid, all provisions of, and amendments made by, this Act shall be treated as invalid.

SEC. 102. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 301 et seq.), as amended by section 404, is amended by adding at the end thereof the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 327. (a) Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.

"(b) In the case of individuals who are executive or administrative personnel of an employer—

"(1) no contributions may be made by such individuals—

"(A) to any political committees established and maintained by any political party; or

"(B) to any candidate for election to the office of United States Senator or the candidate's authorized committees,

unless such contributions are not being made at the direction of, or otherwise controlled or influenced by, the employer; and

"(2) the aggregate amount of such contributions by all such individuals in any calendar year shall not exceed—

"(A) $20,000 in the case of such political committees; and

"(B) $5,000 in the case of any such candidate and the candidate's authorized committees.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Paragraph (4) of section 301 of FECA (2 U.S.C. 431(4)) is amended to read as follows:

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

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

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

"(C) any local committee of a political party which—

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

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

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

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end thereof the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

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

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

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

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date in which the limitation under section 327 of such Act (as added by subsection (a)) is not in effect—

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

(2) in the case of a candidate for election, or nomination for election, to the office of President or Vice President or to the United States Senate (and such candidate's authorized committees), section 315(a)(2)(A) of FECA (2 U.S.C. 441a(a)(2)(A)) shall be applied by substituting "$1,000" for "$5,000";

(3) it shall be unlawful for a multicandidate political committee to make a contribution to a candidate for election, or nomination for election, to the United States Senate (or an authorized committee) to the extent that the making or accepting of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees to exceed the lesser of—

(A) $825,000; or

(B) 20 percent of the sum of the general election spending limit under section 502(b) of FECA plus the primary election spending limit under section 501(d)(1)(A) of FECA (without regard to whether the candidate is an eligible Senate candidate, as defined in section 301(19) of FECA).

In the case of an election cycle in which there is a runoff election, the limit determined under paragraph (3) shall be increased by an amount equal to 20 percent of the runoff election expenditure limit under section 501(d)(1)(A) of FECA (without regard to whether the candidate is such an eligible candidate). The $825,000 amount in paragraph (3) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c) of FECA, except that for purposes of paragraph (3), the base period shall be the calendar year 1996. A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (3) shall return the amount of such excess contribution to the contributor.

(e) RULE ENSURING PROHIBITION ON DIRECT CORPORATE AND LABOR SPENDING.—If section 316(a) of the Federal Election Campaign Act of 1971 is held to be invalid by reason of the amendments made by this section, then the amendments made by this section shall not apply to contributions by any political committee that is directly or indirectly established, administered, or supported by a connected organization which is a bank, corporation, or other organization described in such section 316(a).

(f) RESTRICTIONS ON CONTRIBUTIONS TO POLITICAL COMMITTEES.—Paragraphs (1)(D) and (2)(D) of section 315(a) of FECA (2 U.S.C. 441a(a) (1)(D) and (2)(D)), as redesignated by section 312, are each amended by striking "$5,000" and inserting "$1,000".

(g) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to elections (and the election cycles relating thereto) occurring after December 31, 1994.

(2) In applying the amendments made by this section, there shall not be taken into account—

(A) contributions made or received before January 1, 1994; or

(B) contributions made to, or received by, a candidate on or after January 1, 1994, to the extent such contributions are not greater than the excess (if any) of—

(i) such contributions received by any opponent of the candidate before January 1, 1994, over

(ii) such contributions received by the candidate before January 1, 1994.

SEC. 103. REPORTING REQUIREMENTS.

Title III of FECA is amended by adding after section 304 the following new section:

"REPORTING REQUIREMENTS FOR SENATE CANDIDATES

"SEC. 304A. (a) CANDIDATE OTHER THAN ELIGIBLE SENATE CANDIDATE.—(1) Each candidate for the office of United States Senator who does not file a certification with the Secretary of the Senate under section 501(c) shall file with the Secretary of the Senate a declaration as to whether such candidate intends to make expenditures for the general election in excess of the general election expenditure limit applicable to an eligible Senate candidate under section 502(b). Such declaration shall be filed at the time provided in section 501(c)(2).

"(2) Any candidate for the United States Senate who qualifies for the ballot for a general election—

"(A) who is not an eligible Senate candidate under section 501; and

"(B) who either raises aggregate contributions, or makes or obligates to make aggregate expenditures, for the general election which exceed 75 percent of the general election expenditure limit applicable to an eligible Senate candidate under section 502(b),

shall file a report with the Secretary of the Senate within 2 business days after such contributions have been raised or such expenditures have been made or obligated to be made (or, if later, within 2 business days after the date of qualification for the general election ballot), setting forth the candidate's total contributions and total expenditures for such election as of such date. Thereafter, such candidate shall file additional reports (until such contributions or expenditures exceed 200 percent of such limit) with the Secretary of the Senate within 2 business days after each time additional contributions are raised, or expenditures are made or are obligated to be made, which in the aggregate exceed an amount equal to 10 percent of such limit and after the total contributions or expenditures exceed 100, 133⅓, 166⅔, and 200 percent of such limit.

"(3) The Commission—

"(A) shall, within 2 business days of receipt of a declaration or report under paragraph (1) or (2), notify each eligible Senate candidate in the election involved about such declaration or report; and

"(B) if an opposing candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in excess of the applicable general election expenditure limit under section 502(b), shall certify, pursuant to the provisions of subsection (d), such eligibility for payment of any amount to which such eligible Senate candidate is entitled under section 503(a).

"(4) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate in a general election who is not an eligible Senate candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in the amounts which would require a report under paragraph (2). The Commission shall, within 2 business days after making each such determination, notify each eligible Senate candidate in the general election involved about such determination, and shall, when such contributions or expenditures exceed the general election expenditure limit under section 502(b), certify (pursuant to the provisions of subsection (d)) such candidate's eligibility for payment of any amount under section 503(a).

"(b) REPORTS ON PERSONAL FUNDS.—(1) Any candidate for the United States Senate who during the election cycle expends more than the limitation under section 502(a) during the election cycle from his personal funds, the funds of his immediate family, and personal loans incurred by the candidate and the candidate's immediate family shall file a report with the Secretary of the Senate within 2 business days after such expenditures have been made or loans incurred.

"(2) The Commission within 2 business days after a report has been filed under paragraph (1) shall notify each eligible Senate candidate in the election involved about each such report.

"(3) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate for the United States Senate has made expenditures in excess of the amount under paragraph (1). The Commission within 2 business days after making such determination shall notify each eligible Senate candidate in the general election involved about each such determination.

"(c) CANDIDATES FOR OTHER OFFICES.—(1) Each individual—

"(A) who becomes a candidate for the office of United States Senator;

"(B) who, during the election cycle for such office, held any other Federal, State, or local office or was a candidate for such other office; and

"(C) who expended any amount during such election cycle before becoming a candidate for the office of United States Senator which would have been treated as an expenditure if such individual had been such a candidate, including amounts for activities to promote the image or name recognition of such individual,

shall, within 7 days of becoming a candidate for the office of United States Senator, report to the Secretary of the Senate the amount and nature of such expenditures.

"(2) Paragraph (1) shall not apply to any expenditures in connection with a Federal,

State, or local election which has been held before the individual becomes a candidate for the office of United States Senator.

"(3) The Commission shall, as soon as practicable, make a determination as to whether the amounts included in the report under paragraph (1) were made for purposes of influencing the election of the individual to the office of United States Senator.

"(4) The Commission shall certify to the individual and such individual's opponents the amounts the Commission determines to be described in paragraph (3) and such amounts shall be treated as expenditures for purposes of this Act.

"(d) CERTIFICATIONS.—Notwithstanding section 504(a), the certification required by this section shall be made by the Commission on the basis of reports filed in accordance with the provisions of this Act, or on the basis of the Commission's own investigation or determination.

"(e) SHORTER PERIODS FOR REPORTS AND NOTICES DURING ELECTION WEEK.—Any report, determination, or notice required by reason of an event occurring during the 7-day period ending with the general election shall be made within 24 hours (rather than 2 business days) of the event.

"(f) COPIES OF REPORTS AND PUBLIC INSPECTION.—The Secretary of the Senate shall transmit a copy of any report or filing received under this section or under title V as soon as possible (but no later than 4 working hours of the Commission) after receipt of such report or filing, and shall make such report or filing available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such reports and filings in the same manner as the Commission under section 311(a)(5).

"(g) DEFINITIONS.—For purposes of this section, any term used in this section which is used in title V shall have the same meaning as when used in title V.".

SEC. 104. DISCLOSURE BY NONELIGIBLE CANDIDATES.

Section 318 of FECA (2 U.S.C. 441d), as amended by section 134, is amended by adding at the end thereof the following:

"(f) If a broadcast, cablecast, or other communication is paid for or authorized by a candidate in the general election for the office of United States Senator who is not an eligible Senate candidate, or the authorized committee of such candidate, such communication shall contain the following sentence: 'This candidate has not agreed to voluntary campaign spending limits.'.".

SEC. 105. EXCESS CAMPAIGN FUNDS OF SENATE CANDIDATES.

Section 313 of FECA (2 U.S.C. 439a) is amended—

(1) by inserting "(a) IN GENERAL.—" before "Amounts"; and

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

"(b) RETURN OF EXCESS CAMPAIGN FUNDS.—(1) Except as provided in paragraph (2), and notwithstanding subsection (a), if a candidate for the Senate has amounts in excess of amounts necessary to defray campaign expenditures for any election cycle, including any fines or penalties relating thereto, such candidate shall, not later than 1 year after the date of the general election for such cycle, expend such excess in the manner described in subsection (a) or transfer it to the Senate Election Campaign Fund established under section 510.

"(2) Paragraph (1) shall not apply to any amounts—

"(A) transferred to a legal and accounting compliance fund established under section 502(c); or

"(B) transferred for use in the next election cycle to the extent such amounts do not exceed 20 percent of the sum of the primary election expenditure limit under section 501(d)(1)(A) and the general election expenditure limit under section 502(b) for the election cycle from which the amounts are being transferred.".

Subtitle B—General Provisions

SEC. 131. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) in paragraph (1)—

(A) by striking "forty-five" and inserting "30"; and

(B) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date"; and

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

"In the case of an eligible Senate candidate (as defined in section 301(19) of the Federal Election Campaign Act of 1971), the charges for the use of a television broadcasting station during the 60-day period referred to in paragraph (1) shall not exceed 50 percent of the lowest charge described in paragraph (1), except that this sentence shall not apply to broadcasts which are to be paid by vouchers which are received under section 503(c)(4) by reason of the independent expenditure amount.".

(b) PREEMPTION; ACCESS.—Section 315 of such Act (47 U.S.C. 315) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting immediately after subsection (b) the following new subsection:

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

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

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

(1) by striking "or repeated";

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

(3) by striking "his candidacy" and inserting "his or her candidacy, under the same terms, conditions, and business practices as apply to its most favored advertiser".

SEC. 132. EXTENSION OF REDUCED THIRD-CLASS MAILING RATES TO ELIGIBLE SENATE CANDIDATES.

Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)(A)—

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

(B) by striking "Committee;" and inserting "Committee, and, subject to paragraph (3), the principal campaign committee of an eligible Senate candidate;";

(2) in paragraph (2)(B), by striking "and" after the semicolon;

(3) in paragraph (2)(C), by striking the period and inserting "; and";

(4) by adding after paragraph (2)(C) the following new subparagraph:

"(D) the terms 'eligible Senate candidate' and 'principal campaign committee' have the meanings given those terms in section 301 of the Federal Election Campaign Act of 1971."; and

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

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to—

"(A) the general election period (as defined in section 301 of the Federal Election Campaign Act of 1971); and

"(B) that number of pieces of mail equal to the number of individuals in the voting age population (as certified under section 315(e) of such Act) of the State.".

SEC. 133. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

(a) IN GENERAL.—Section 304 of FECA (2 U.S.C. 434) is amended by adding at the end the following new subsection:

"(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—(1) Any person making independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before any election shall file a report of such expenditures within 24 hours after such expenditures are made.

"(2) Any person making independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before any election shall file a report within 48 hours after such expenditures are made. An additional statement shall be filed each time independent expenditures aggregating $10,000 are made with respect to the same election as the initial statement filed under this section.

"(3) Any statement under this subsection shall be filed with the Secretary of the Senate or the Commission, and the Secretary of State of the State involved, as appropriate, and shall contain the information required by subsection (b)(6)(B)(iii) of this section, including whether the independent expenditure is in support of, or in opposition to, the candidate involved. The Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a statement transmit it to the Commission. Not later than 48 hours after the Commission receives a report, the Commission shall transmit a copy of the report to each candidate seeking nomination or election to that office.

"(4) For purposes of this subsection, an expenditure shall be treated as made when it is made or obligated to be made.

"(5)(A) If any person intends to make independent expenditures totaling $5,000 or more during the 20 days before an election, such person shall file a statement no later than the 20th day before the election.

"(B) Any statement under subparagraph (A) shall be filed with the Secretary of the Senate or the Commission, and the Secretary of State of the State involved, as appropriate, and shall identify each candidate whom the expenditure will support or oppose. The Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a statement transmit it to the Commission. Not later than 48 hours after the Commission receives a statement under this paragraph, the Commission shall transmit a copy of the statement to each candidate identified.

"(6) The Commission may make its own determination that a person has made, or has incurred obligations to make, independent expenditures with respect to any Federal election which in the aggregate exceed the applicable amounts under paragraph (1) or (2). The Commission shall notify each candidate in such election of such determination within 24 hours of making it.

"(7) At the same time as a candidate is notified under paragraph (3), (5), or (6) with respect to expenditures during a general election period, the Commission shall certify eligibility to receive benefits under section 503(a).

"(8) The Secretary of the Senate shall make any statement received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such statements in the same manner as the Commission under section 311(a)(5).".

(b) CONFORMING AMENDMENT.—Section 304(c)(2) of FECA (2 U.S.C. 434(c)(2)) is amended by striking the undesignated matter after subparagraph (C).

SEC. 134. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of FECA (2 U.S.C. 441d) is amended—

(1) in the matter before paragraph (1) of subsection (a), by striking "Whenever" and inserting "Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever";

(2) in the matter before paragraph (1) of subsection (a), by striking "an expenditure" and inserting "a disbursement";

(3) in the matter before paragraph (1) of subsection (a), by striking "direct";

(4) in paragraph (3) of subsection (a), by inserting after "name" the following "and permanent street address"; and

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

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

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

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

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

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

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

"(A) states: 'I, (name of the candidate), am a candidate for (the office the candidate is seeking) and I have approved this message';

"(B) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

"(C) is accompanied by a clearly identifiable photographic or similar image of the candidate.

"(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement—

is responsible for the content of this advertisement.'

with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor; and, if broadcast or cablecast by means of television, shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

SEC. 135. DEFINITIONS.

(a) IN GENERAL.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraph (19) and inserting the following new paragraphs:

"(19) The term 'eligible Senate candidate' means a candidate who is certified under section 504 as eligible to receive benefits under title V.

"(20) The term 'general election' means any election which will directly result in the election of a person to a Federal office. Such term includes a primary election which may result in the election of a person to a Federal office.

"(21) The term 'general election period' means, with respect to any candidate, the period beginning on the day after the date of the primary or runoff election for the specific office the candidate is seeking, whichever is later, and ending on the earlier of—

"(A) the date of such general election; or

"(B) the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election.

"(22) The term 'immediate family' means—

"(A) a candidate's spouse;

"(B) a child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate or the candidate's spouse; and

"(C) the spouse of any person described in subparagraph (B).

"(23) The term 'major party' has the meaning given such term in section 9002(6) of the Internal Revenue Code of 1986, except that if a candidate qualified for the ballot in a general election in an open primary in which all the candidates for the office participated and which resulted in the candidate and at least one other candidate qualifying for the ballot in the general election, such candidate shall be treated as a candidate of a major party for purposes of title V.

"(24) The term 'primary election' means an election which may result in the selection of a candidate for the ballot in a general election for a Federal office.

"(25) The term 'primary election period' means, with respect to any candidate, the period beginning on the day following the date of the last election for the specific office the candidate is seeking and ending on the earlier of—

"(A) the date of the first primary election for that office following the last general election for that office; or

"(B) the date on which the candidate withdraws from the election or otherwise ceases actively to seek election.

"(26) The term 'runoff election' means an election held after a primary election which is prescribed by applicable State law as the means for deciding which candidate will be on the ballot in the general election for a Federal office.

"(27) The term 'runoff election period' means, with respect to any candidate, the period beginning on the day following the date of the last primary election for the specific office such candidate is seeking and ending on the date of the runoff election for such office.

"(28) The term 'voting age population' means the resident population, 18 years of age or older, as certified pursuant to section 315(e).

"(29) The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the most recent general election for the specific office or seat which such candidate seeks and ending on the date of the next general election for such office or seat; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next general election.".

(b) IDENTIFICATION.—Section 301(13) of FECA (2 U.S.C. 431(13)) is amended by striking "mailing address" and inserting "permanent residence address".

SEC. 136. PROVISIONS RELATING TO FRANKED MASS MAILINGS.

Section 3210(a)(6)(C) of title 39, United States Code, is amended—

(1) by striking "if such mass mailing is postmarked fewer than 60 days immediately before the date" and inserting "if such mass mailing is postmarked during the calendar year"; and

(2) by inserting "or reelection" immediately before the period.

TITLE II—INDEPENDENT EXPENDITURES

SEC. 201. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

"(17)(A) The term 'independent expenditure' means an expenditure for an advertisement or other communication that—

"(i) contains express advocacy; and

"(ii) is made without the participation or cooperation of a candidate or a candidate's representative.

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

"(i) An expenditure made by a political committee of a political party.

"(ii) An expenditure made by a person who, during the election cycle, has communicated with or received information from a candidate or a representative of that candidate regarding activities that have the purpose of influencing that candidate's election to Federal office, where the expenditure is in support of that candidate or in opposition to another candidate for that office.

"(iii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.

"(iv) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

"(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

"(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.

"(v) An expenditure if the person making the expenditure has advised or counseled the candidate or the candidate's agents at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office.

"(vi) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing services in the same election cycle to the candidate in connection with

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

"(vii) An expenditure if the person making the expenditure has consulted at any time during the calendar year in which the election is to be held about the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, with—

"(I) any officer, director, employee or agent of a party committee that has made or intends to make expenditures or contributions, pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or

"(II) any person whose professional services have been retained by a political party committee that has made or intends to make expenditures or contributions pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person, and the term 'professional services shall include any services (other than legal and accounting services for purposes of ensuring compliance with this Act) in support of any candidate's or candidates' pursuit of nomination for election, or election, to Federal office.

"(18) The term 'express advocacy' means, when a communication is taken as a whole and with limited reference to external events, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party, or a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity.".

(b) CONTRIBUTION DEFINITION AMENDMENT.—Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i), by striking "or" after the semicolon at the end;

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

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

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

SEC. 202. EQUAL BROADCAST TIME.

Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended to read as follows:

"(a)(1) If a licensee permits any person who is a legally qualified candidate for public office to use a broadcasting station other than any use required to be provided under paragraph (2), the licensee shall afford equal opportunities to all other such candidates for that office in the use of the broadcasting station.

"(2)(A) A person who reserves broadcast time the payment for which would constitute an independent expenditure within the meaning of section 301(17) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(17)) shall—

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

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

"(iii) provide the licensee a copy of the statement described in section 304(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)).

"(B) A licensee who is informed as described in subparagraph (A) shall—

"(i) if any of the candidates described in subparagraph (A)(ii) has provided the licensee the name and address of a person to whom notification under this subparagraph is to be given—

"(I) notify such person of the proposed making of the independent expenditure; and

"(II) allow any such candidate (other than a candidate for whose benefit the independent expenditure is made) to purchase the same amount of broadcast time immediately after the broadcast time paid for by the independent expenditure; and

"(ii) in the case of an opponent of a candidate for whose benefit the independent expenditure is made who certifies to the licensee that the opponent is eligible to have the cost of response broadcast time paid out of communication vouchers issued under section 503(a)(4) of the Federal Election Campaign Act of 1971, afford the opponent such broadcast time without requiring payment in advance and at the cost specified in subsection (b).

"(3) A licensee shall have no power of censorship over the material broadcast under this section.

"(4) Except as provided in paragraph (2), no obligation is imposed under this subsection upon any licensee to allow the use of its station by any candidate.

"(5)(A) Appearance by a legally qualified candidate on a—

"(i) bona fide newscast;

"(ii) bona fide news interview;

"(iii) bona fide news documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary); or

"(iv) on-the-spot coverage of bona fide news events (including political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection.

"(B) Nothing in subparagraph (A) shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from their obligation under this Act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

"(6)(A) A licensee that endorses a candidate for Federal office in an editorial shall, within the time stated in subparagraph (B), provide to all other candidates for election to the same office—

"(i) notice of the date and time of broadcast of the editorial;

"(ii) a taped or printed copy of the editorial; and

"(iii) a reasonable opportunity to broadcast a response using the licensee's facilities.

"(B) In the case of an editorial described in subparagraph (A) that—

"(i) is first broadcast 72 hours or more prior to the date of a primary, runoff, or general election, the notice and copy described in subparagraph (A) (i) and (ii) shall be provided not later than 24 hours after the time of the first broadcast of the editorial, and

"(ii) is first broadcast less than 72 hours before the date of an election, the notice and copy shall be provided at a time prior to the first broadcast that will be sufficient to enable candidates a reasonable opportunity to prepare and broadcast a response.".

TITLE III—EXPENDITURES

Subtitle A—Personal Loans; Credit

SEC. 301. PERSONAL CONTRIBUTIONS AND LOANS.

Section 315 of FECA (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

"(j) LIMITATIONS ON PAYMENTS TO CANDIDATES.—(1) If a candidate or a member of the candidate's immediate family made any loans to the candidate or to the candidate's authorized committees during any election cycle, no contributions received after the date of the general election for such election cycle may be used to repay such loans.

"(2) No contribution by a candidate or member of the candidate's immediate family may be returned to the candidate or member other than as part of a pro rata distribution of excess contributions to all contributors.".

SEC. 302. EXTENSIONS OF CREDIT.

Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)), as amended by section 201(b), is amended—

(1) by striking "or" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; or"; and

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

"(iv) with respect to a candidate and the candidate's authorized committees, any extension of credit for goods or services relating to advertising on broadcasting stations, in newspapers or magazines, or by mailings, or relating to other similar types of general public political advertising, if such extension of credit is—

"(I) in an amount of more than $1,000; and

"(II) for a period greater than the period, not in excess of 60 days, for which credit is generally extended in the normal course of business after the date on which such goods or services are furnished or the date of a mailing.".

Subtitle B—Provisions Relating To Soft Money of Political Parties

SEC. 311. DEFINITIONS.

(a) CONTRIBUTION AND EXPENDITURE EXCEPTIONS.—(1) Clause (xii) of section 301(8)(B) of FECA (2 U.S.C. 431(8)(B)(xii)) is amended—

(A) by inserting "in connection with volunteer activities" after "such committee"; and

(B) by striking "and" at the end of subclause (2), by inserting "and" at the end of subclause (3), and by adding at the end the following new subclause:

"(4) such activities are conducted solely by, or any materials are distributed solely by, volunteers;".

(2) Clause (ix) of section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)(ix)) is amended—

(A) by inserting "in connection with volunteer activities" after "such committee", and

(B) by striking "and" at the end of subclause (2), by inserting "and" at the end of subclause (3), and by adding at the end the following new subclause:

"(4) any materials in connection with such activities are prepared for distribution (and are distributed) solely by volunteers;".

(b) GENERIC ACTIVITIES; STATE PARTY GRASSROOTS FUND.—Section 301 of FECA (2 U.S.C. 431), as amended by section 135, is amended by adding at the end thereof the following new paragraphs:

"(30) The term 'generic campaign activity' means a campaign activity that promotes a political party rather than any particular Federal or non-Federal candidate.

"(31) The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State com-

mittee of a political party solely for purposes of making expenditures and other disbursements described in section 324(d).".

SEC. 312. CONTRIBUTIONS TO POLITICAL PARTY COMMITTEES.

(a) INDIVIDUAL CONTRIBUTIONS TO STATE PARTY.—Paragraph (1) of section 315(a) of FECA (2 U.S.C. 441a(a)(1)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000;

"(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $20,000; or".

(b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS TO STATE PARTY.—Paragraph (2) of section 315(a) of FECA (2 U.S.C. 441a(a)(2)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $15,000;

"(ii) to any other political committee established and maintained by a State committee of a political party which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a multicandidate political committee to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $15,000; or".

(c) OVERALL LIMIT.—Paragraph (3) of section 315(a) of FECA (2 U.S.C. 441a(a)(3)) is amended to read as follows:

"(3)(A) No individual shall make contributions during any election cycle (as defined in section 301(29)(B)) which, in the aggregate, exceed $60,000.

"(B) No individual shall make contributions during any calendar year—

"(i) to all candidates and their authorized political committees which, in the aggregate, exceed $25,000; or

"(ii) to all political committees established and maintained by State committees of a political party which, in the aggregate, exceed $20,000.

"(C) For purposes of subparagraph (B)(i), any contribution made to a candidate or the candidate's authorized political committees in a year other than the calendar year in which the election is held with respect to which such contribution is made shall be treated as made during the calendar year in which the election is held.".

(d) PRESIDENTIAL CANDIDATE COMMITTEE TRANSFERS.—(1) Subparagraph (B) of section 315(b)(1) of FECA (2 U.S.C. 441a(b)(1)) is amended to read as follows:

"(B) in the case of a campaign for election to such office, an amount equal to the sum of—

"(i) $20,000,000, plus

"(ii) the lesser of—

"(I) 2 cents multiplied by the voting age population of the United States (as certified under subsection (e) of this section), or

"(II) the amounts transferred by the candidate and the authorized committees of the candidate to the national committee of the candidate's political party for distribution to State Party Grassroots Funds.".

(2) Subparagraph (A) of section 9002(11) of the Internal Revenue Code of 1986 (defining qualified campaign expense) is amended by striking "or" at the end of clause (ii), by inserting "or" at the end of clause (iii), and by inserting at the end the following new clause "(iv) any transfers to the national committee of the candidate's political party for distribution to State Party Grassroots Funds (as defined in section 301(31) of the Federal Election Campaign Act of 1971) to the extent such transfers do not exceed the amount determined under section 315(b)(1)(B)(ii) of such Act,".

SEC. 313. PROVISIONS RELATING TO NATIONAL, STATE, AND LOCAL PARTY COMMITTEES.

(a) SOFT MONEY OF COMMITTEES OF POLITICAL PARTIES.—Title III of FECA is amended by inserting after section 323 the following new section:

"POLITICAL PARTY COMMITTEES

"SEC. 324. (a) LIMITATIONS ON NATIONAL COMMITTEE.—(1) A national committee of a political party and the congressional campaign committees of a political party may not solicit or accept contributions or transfers not subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to contributions—

"(A) that—

"(i) are to be transferred to a State committee of a political party and are used solely for activities described in clauses (xi) through (xvii) of paragraph (9)(B) of section 301; or

"(ii) are described in section 301(8)(B)(viii); and

"(B) with respect to which contributors have been notified that the funds will be used solely for the purposes described in subparagraph (A).

"(b) ACTIVITIES SUBJECT TO THIS ACT.—Any amount solicited, received, expended, or disbursed directly or indirectly by a national, State, district, or local committee of a political party (including any subordinate committee) with respect to any of the following activities shall be subject to the limitations, prohibitions, and reporting requirements of this Act:

"(1)(A) Any get-out-the-vote activity conducted during a calendar year in which an election for the office of President is held.

"(B) Any other get-out-the-vote activity unless subsection (c)(2) applies to the activity.

"(2) Any generic campaign activity.

"(3) Any activity that identifies or promotes a Federal candidate, regardless of whether—

"(A) a State or local candidate is also identified or promoted; or

"(B) any portion of the funds disbursed constitutes a contribution or expenditure under this Act.

"(4) Voter registration.

"(5) Development and maintenance of voter files during an even-numbered calendar year.

"(6) Any other activity that—

"(A) significantly affects a Federal election, or

"(B) is not otherwise described in section 301(8)(B)(xvii).

Any amount spent to raise funds that are used, in whole or in part, in connection with activities described in the preceding paragraphs shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

"(c) GET-OUT-THE-VOTE ACTIVITIES BY STATE, DISTRICT, AND LOCAL COMMITTEES OF POLITICAL PARTIES.—(1) Except as provided in paragraph (2), any get-out-the-vote activity for a State or local candidate, or for a ballot measure, which is conducted by a State, district, or local committee of a political party (including any subordinate committee) shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to any activity which the State committee of a political party certifies to the Commission is an activity which—

"(A) is conducted during a calendar year other than a calendar year in which an election for the office of President is held,

"(B) is exclusively on behalf of (and specifically identifies only) one or more State or local candidates or ballot measures, and

"(C) does not include any effort or means used to identify or turn out those identified to be supporters of any Federal candidate (including any activity that is undertaken in coordination with, or on behalf of, a candidate for Federal office).

"(d) STATE PARTY GRASSROOTS FUNDS.—(1) A State committee of a political party may make disbursements and expenditures from its State Party Grassroots Fund only for—

"(A) any generic campaign activity;

"(B) payments described in clauses (v), (x), and (xii) of paragraph (8)(B) and clauses (iv), (viii), and (ix) of paragraph (9)(B) of section 301;

"(C) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B), and clause (ix) of paragraph (9)(B), of section 301 on behalf of candidates other than for President and Vice President;

"(D) voter registration; and

"(E) development and maintenance of voter files during an even-numbered calendar year.

"(2) Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if such district or local committee—

"(A) has established a separate segregated fund for the purposes described in paragraph (1); and

"(B) uses the transferred funds solely for those purposes.

"(e) AMOUNTS RECEIVED BY GRASSROOTS FUND FROM STATE AND LOCAL CANDIDATE COMMITTEES.—(1) Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (b) that are for the benefit of that candidate shall be treated as meeting the requirements of subsection (b) and section 304(e) if—

"(A) such amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in section 315(a) (1)(A) and (2)(A); and

"(B) the State or local candidate committee—

"(i) maintains, in the account from which payment is made, records of the sources and

amounts of funds for purposes of determining whether such requirements are met; and

"(ii) certifies that such requirements were met.

"(2) For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in such paragraph—

"(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee, and

"(B) the committee must be able to demonstrate that its cash on hand contains sufficient funds meeting such requirements as are necessary to cover the transferred funds.

"(3) Notwithstanding paragraph (1), any State Party Grassroots Fund receiving any transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from such candidate committee.

"(4) For purposes of this subsection, a State or local candidate committee is a committee established, financed, maintained, or controlled by a candidate for other than Federal office.".

(b) CONTRIBUTIONS AND EXPENDITURES.—(1) Section 301(8)(B) of FECA (2 U.S.C. 431(8)(B)) is amended by striking "and" at the end of clause (xiii), by striking the period at the end of clause (xiv) and inserting a semicolon, and by adding at the end the following new clauses:

"(xv) any amount contributed to a candidate for other than Federal office;

"(xvi) any amount received or expended to pay the costs of a State or local political convention;

"(xvii) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1);

"(xviii) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

"(I) overhead, including party meetings;

"(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

"(III) conducting party elections or caucuses;

"(xix) any payment for research pertaining solely to State and local candidates and issues;

"(xx) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

"(xxi) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1).".

(2) Section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)) is amended by striking "and" at the end of clause (ix), by striking the period at the end of clause (x) and inserting a semicolon, and by adding at the end the following new clauses:

"(xi) any amount contributed to a candidate for other than Federal office;

"(xii) any amount received or expended to pay the costs of a State or local political convention;

"(xiii) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1);

"(xiv) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

"(I) overhead, including party meetings;

"(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

"(III) conducting party elections or caucuses;

"(xv) any payment for research pertaining solely to State and local candidates and issues;

"(xvi) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

"(xvii) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1).".

(c) LIMITATION APPLIED AT NATIONAL LEVEL.—Paragraph (3) of section 315(d) of FECA (2 U.S.C. 441a(d)(3)) is amended by adding at the end the following new sentence:

"Notwithstanding the preceding sentence, the applicable congressional campaign committee of a political party shall make the expenditures described in this paragraph which are authorized to be made by a national or State committee with respect to a candidate in any State unless it allocates all or a portion of such expenditures to either or both of such committees.".

(d) LIMITATIONS APPLY FOR ENTIRE ELECTION CYCLE.—Section 315(d)(1) of FECA (2 U.S.C. 441a(d)(1)) is amended by adding at the end the following new sentence: "Each limitation under the following paragraphs shall apply to the entire election cycle for an office.".

SEC. 314. RESTRICTIONS ON FUNDRAISING BY CANDIDATES AND OFFICEHOLDERS.

(a) STATE FUNDRAISING ACTIVITIES.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 301, is amended by adding at the end thereof the following new subsection:

"(k) LIMITATIONS ON FUNDRAISING ACTIVITIES OF FEDERAL CANDIDATES AND OFFICEHOLDERS AND CERTAIN POLITICAL COMMITTEES.—(1) For purposes of this Act, a candidate for Federal office, an individual holding Federal office, or any agent of the candidate or individual may not solicit funds to, or receive funds on behalf of, any Federal or non-Federal candidate or political committee—

"(A) which are to be expended in connection with any election for Federal office unless such funds are subject to the limitations, prohibitions, and requirements of this Act; or

"(B) which are to be expended in connection with any election for other than Federal office unless such funds are not in excess of amounts permitted with respect to Federal candidates and political committees under subsections (a) (1) and (2), and are not from sources prohibited by such subsections with respect to elections to Federal office.

"(2)(A) The aggregate amount which a person described in subparagraph (B) may solicit from a multicandidate political committee for State committees described in subsection (a)(1)(C) (including subordinate committees) for any calendar year shall not exceed the dollar amount in effect under subsection (a)(2)(B) for the calendar year.

"(B) A person is described in this subparagraph if such person is a candidate for Federal office, an individual holding Federal office, an agent of such a candidate or individual, or any national, State, district, or local committee of a political party (including a subordinate committee) and any agent of such a committee.

"(3) The appearance or participation by a candidate for Federal office or individual holding Federal office in any fundraising event conducted by a committee of a political party or a candidate for other than Federal office shall not be treated as a solicitation for purposes of paragraph (1) if such candidate or individual does not solicit or receive, or make disbursements from, any funds resulting from such activity.

"(4) Paragraph (1) shall not apply to the solicitation or receipt of funds, or disbursements, by an individual who is a candidate for other than Federal office if such activity is permitted under State law.

"(5) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

"(A) holds a Federal office; or

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

(b) TAX-EXEMPT ORGANIZATIONS.—Section 315 of FECA (2 U.S.C. 441a), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

"(l) TAX-EXEMPT ORGANIZATIONS.—(1) If an individual is a candidate for, or holds, Federal office during any period, such individual may not during such period solicit contributions to, or on behalf of, any organization which is described in section 501(c) of the Internal Revenue Code of 1986 if a significant portion of the activities of such organization include voter registration or get-out-the-vote campaigns.

"(2) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

"(A) holds a Federal office; or

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

SEC. 315. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of FECA (2 U.S.C. 434), as amended by section 133(a), is amended by adding at the end thereof the following new subsection:

"(e) POLITICAL COMMITTEES.—(1) The national committee of a political party and any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

"(2) A political committee (not described in paragraph (1)) to which section 324 applies shall report all receipts and disbursements including separate schedules for receipts and disbursements for State Grassroots Funds described in section 301(31).

"(3) Any political committee to which section 324 applies shall include in its report under paragraph (1) or (2) the amount of any transfer described in section 324(d)(2) and

shall itemize such amounts to the extent required by section 304(b)(3)(A).

"(4) Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements which are used in connection with a Federal election.

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

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

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended by inserting at the end thereof the following:

"(C) The exclusion provided in clause (viii) of subparagraph (B) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions aggregating in excess of $200 shall be reported.".

(c) REPORTS BY STATE COMMITTEES.—Section 304 of FECA (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

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

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Paragraph (4) of section 304(b) of FECA (2 U.S.C. 434(b)(4)) is amended by striking "and" at the end of subparagraph (H), by inserting "and" at the end of subparagraph (I), and by adding at the end the following new subparagraph:

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

(2) NAMES AND ADDRESSES.—Subparagraph (A) of section 304(b)(5) of FECA (2 U.S.C. 434(b)(5)(A)) is amended—

(A) by striking "within the calendar year", and

(B) by inserting ", and the election to which the operating expenditure relates" after "operating expenditure".

TITLE IV—CONTRIBUTIONS

SEC. 401. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS; PROHIBITION ON CERTAIN CONTRIBUTIONS BY LOBBYISTS.

(a) CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.—Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For the purposes of this subsection:

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

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

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

"(ii) the intermediary or conduit is—

"(I) a political committee;

"(II) an officer, employee, or agent of such a political committee;

"(III) a political party;

"(IV) a partnership or sole proprietorship;

"(V) a person who is required to register or to report its lobbying activities, or a lobbyist whose activities are required to be reported, under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267), the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), or any successor Federal law requiring a person who is a lobbyist or foreign agent to register or a person to report its lobbying activities; or

"(VI) an organization prohibited from making contributions under section 316, or an officer, employee, or agent of such an organization acting on the organization's behalf.

"(C)(i) The term 'intermediary or conduit' does not include—

"(I) a candidate or representative of a candidate receiving contributions to the candidate's principal campaign committee or authorized committee;

"(II) a professional fundraiser compensated for fundraising services at the usual and customary rate, but only if the individual is not described in subparagraph (B)(ii);

"(III) a volunteer hosting a fundraising event at the volunteer's home, in accordance with section 301(8)(B), but only if the individual is not described in subparagraph (B)(ii); or

"(IV) an individual who transmits a contribution from the individual's spouse.

"(ii) The term 'representative' means an individual who is expressly authorized by the candidate to engage in fundraising, and who occupies a significant position within the candidate's campaign organization, provided that the individual is not described in subparagraph (B)(ii).

"(iii) The term 'contributions made or arranged to be made' includes—

"(I) contributions delivered to a particular candidate or the candidate's authorized committee or agent; and

"(II) contributions directly or indirectly arranged to be made to a particular candidate or the candidate's authorized committee or agent, in a manner that identifies directly or indirectly to the candidate or authorized committee or agent the person who arranged the making of the contributions or the person on whose behalf such person was acting.

Such term does not include contributions made, or arranged to be made, by reason of an oral or written communication by a Federal candidate or officeholder expressly advocating the nomination for election, or election, of any other Federal candidate and encouraging the making of a contribution to such other candidate.

"(iv) The term 'acting on the organization's behalf' includes the following activities by an officer, employee or agent of a person described in subparagraph (B)(ii)(VI):

"(I) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate in the name of, or by using the name of, such a person.

"(II) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate using other than incidental resources of such a person.

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

"(D) Nothing in this paragraph shall prohibit—

"(i) bona fide joint fundraising efforts conducted solely for the purpose of sponsorship of a fundraising reception, dinner, or other similar event, in accordance with rules prescribed by the Commission, by—

"(I) 2 or more candidates;

"(II) 2 or more national, State, or local committees of a political party within the meaning of section 301(4) acting on their own behalf; or

"(III) a special committee formed by 2 or more candidates, or a candidate and a national, State, or local committee of a political party acting on their own behalf; or

"(ii) fundraising efforts for the benefit of a candidate that are conducted by another candidate.

When a contribution is made to a candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of the contribution to the Commission and to the intended recipient.".

(b) PROHIBITION ON CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 314(b), is amended by adding at the end the following new subsection:

"(m)(1) An individual who is described in section 315(a)(8)(B)(ii)(V) shall not make contributions to, or solicit contributions on behalf of—

"(A) any Member of Congress with respect to whom such individual has, during the preceding 12 months, either appeared before, or made a lobbying contact with, in such individual's representational capacity, or

"(B) any authorized committee of the President of the United States if, during the preceding 12 months, such individual has either appeared before, or made a lobbying contact with, a covered executive branch official.

"(2) An individual who is described in section 315(a)(8)(B)(ii)(V) who has made any contribution to, or solicited contributions on behalf of, any Member of Congress (or any authorized committee of the President of the United States) shall not, during the 12 months following such contribution or solicitation, either appear before, or make a lobbying contact with, such Member (or a covered executive branch official) in such individual's representational capacity.

"(3) For purposes of this subsection, the term 'covered executive branch official' means the President, Vice-President, any officer or employee of the executive office of the President other than a clerical or secretarial employee, any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order, any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code), any member of the uniformed services whose pay grade is at or in excess of 0-7 under section 201 of title 37, United States Code, and any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code.".

SEC. 402. CONTRIBUTIONS BY DEPENDENTS NOT OF VOTING AGE.

Section 315 of FECA (2 U.S.C. 441a), as amended by section 401(b), is amended by

adding at the end the following new subsection:

"(n) For purposes of this section, any contribution by an individual who—

"(1) is a dependent of another individual; and

"(2) has not, as of the time of such contribution, attained the legal age for voting for elections to Federal office in the State in which such individual resides,

shall be treated as having been made by such other individual. If such individual is the dependent of another individual and such other individual's spouse, the contribution shall be allocated among such individuals in the manner determined by them.".

SEC. 403. CONTRIBUTIONS TO CANDIDATES FROM STATE AND LOCAL COMMITTEES OF POLITICAL PARTIES TO BE AGGREGATED.

Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) Notwithstanding paragraph (5)(B), a candidate for Federal office may not accept, with respect to an election, any contribution from a State or local committee of a political party (including any subordinate committee of such committee), if such contribution, when added to the total of contributions previously accepted from all such committees of that political party, exceeds a limitation on contributions to a candidate under this section.".

SEC. 404. CONTRIBUTIONS AND EXPENDITURES USING MONEY SECURED BY PHYSICAL FORCE OR OTHER INTIMIDATION.

Title III of FECA, as amended by section 707, is amended by adding at the end the following new section:

"CONTRIBUTIONS AND EXPENDITURES USING MONEY SECURED BY PHYSICAL FORCE OR OTHER INTIMIDATION

"SEC. 326. It shall be unlawful for any person to—

"(1) cause another person to make a contribution or expenditure by using physical force, job discrimination, financial reprisals, or the threat of physical force, job discrimination, or financial reprisal; or

"(2) make a contribution or expenditure utilizing money or anything of value secured in the manner described in paragraph (1).".

SEC. 405. PROHIBITION OF ACCEPTANCE BY A CANDIDATE OF CASH CONTRIBUTIONS FROM ANY ONE PERSON AGGREGATING MORE THAN $100.

Section 321 of FECA (2 U.S.C. 441g) is amended by inserting ", and no candidate or authorized committee of a candidate shall accept from any one person," after "make".

TITLE V—REPORTING REQUIREMENTS

SEC. 501. CHANGE IN CERTAIN REPORTING FROM A CALENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.

Paragraphs (2) through (7) of section 304(b) of FECA (2 U.S.C. 434(b)(2)–(7)), as amended by section 315(d), are amended by inserting after "calendar year" each place it appears the following: "(election cycle, in the case of an authorized committee of a candidate for Federal office)".

SEC. 502. PERSONAL AND CONSULTING SERVICES.

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

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

"(j) The person described in section 304(b)(5)(A) who is providing personal or consulting services and who is in turn making expenditures to other persons (not including employees) for goods or services provided to a candidate shall maintain records of and shall provide to a political committee the information necessary to enable the political committee to report the information described in section 304(b)(5)(A).".

SEC. 503. COMPUTERIZED INDICES OF CONTRIBUTIONS.

Section 311(a) of FECA (2 U.S.C. 438(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

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

"(11) maintain computerized indices of contributions of $200 or more.".

SEC. 504. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(g) of FECA (2 U.S.C. 432(g)) is amended by adding at the end the following new paragraph:

"(6)(A) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations under which persons required to file designations, statements, and reports under this Act—

"(i) are required to maintain and file them for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of $100,000 during the current calendar year, and

"(ii) may maintain and file them in that manner if not required to do so under clause (i).

"(B) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations which allow persons to file designations, statements, and reports required by this Act through the use of facsimile machines.

"(C) In prescribing regulations under this paragraph, the Commission shall provide methods (other than signing) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.

"(D) The Commission shall ensure that any computer (or other) system developed and maintained by the Commission to receive designations, statements, and reports in the forms required or permitted under this paragraph are compatible with the systems of the Secretary of the Senate and the Clerk of the House of Representatives.".

SEC. 505. POLITICAL COMMITTEES.

Section 303(b) of FECA (2 U.S.C. 433(b)) is amended—

(1) in paragraph (2), by inserting ", and if the organization or committee is incorporated, the State of incorporation" after "committee",

(2) by striking the "name and address of the treasurer" in paragraph (4) and inserting "the names and addresses of the officers", and

(3) by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting "; and", and by adding at the end the following new paragraph:

"(7) a statement of the purpose for which the political committee was formed.".

TITLE VI—FEDERAL ELECTION COMMISSION

SEC. 601. USE OF CANDIDATES' NAMES.

Section 302(e)(4) of FECA (2 U.S.C. 432(e)(4)) is amended to read as follows:

"(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

"(B) A political committee that is not an authorized committee shall not—

"(i) include the name of any candidate in its name, or

"(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.".

SEC. 602. REPORTING REQUIREMENTS.

(a) OPTION TO FILE MONTHLY REPORTS.—Section 304(a)(2) of FECA (2 U.S.C. 434(a)(2)) is amended—

(1) in subparagraph (A) by striking "and" at the end;

(2) in subparagraph (B) by striking the period at the end and inserting "; and"; and

(3) by inserting the following new subparagraph at the end:

"(C) in lieu of the reports required by subparagraphs (A) and (B), the treasurer may file monthly reports in all calendar years, which shall be filed no later than the 15th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-primary election report and a pre-general election report shall be filed in accordance with subparagraph (A)(i), a post-general election report shall be filed in accordance with subparagraph (A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year.".

(b) FILING DATE.—(1) Section 304(a)(3) (A)(i) and (B)(i) of FECA (2 U.S.C. 434(a)(3) (A)(i) and (B)(i)) are amended by striking "20th" and inserting "15th".

(2) Section 304(a)(4) of FECA (2 U.S.C. 434(a)(4)) is amended—

(A) in subparagraph (A)(i) by inserting ", and except that if at any time during the election year a committee receives contributions in excess of $100,000 ($10,000 in the case of a multicandidate political committee), or makes disbursements in excess of $100,000 ($10,000 in the case of a multicandidate political committee), monthly reports on the 15th day of each month after the month in which that amount of contributions is first received or that amount of disbursements is first anticipated to be made during that year" before the semicolon; and

(B) in subparagraph (B) by striking "20th" and inserting "15th".

(c) INCOMPLETE OR FALSE CONTRIBUTOR INFORMATION.—Section 302(i) of FECA (2 U.S.C. 432(i)) is amended—

(1) by striking "submit" and inserting "report"; and

(2) by adding the following at the end: "In the case of a contribution required to be reported under section 304(b)(3)(A), the contribution shall not be used by the political committee to make an expenditure until the political committee has obtained all of the information that is required to be reported.".

(d) WAIVER.—Section 304 of FECA (2 U.S.C. 434), as amended by section 315(c), is amended by adding at the end the following new subsection:

"(g) WAIVER.—The Commission may relieve any category of political committees of the obligation to file 1 or more reports required by this section, or may change the due dates of such reports, if it determines that such action is consistent with the purposes of this Act. The Commission may waive requirements to file reports in accordance with this subsection through a rule of general applicability or, in a specific case, may waive or change the due date of a report by notifying all political committees affected.".

SEC. 603. PROVISIONS RELATING TO THE GENERAL COUNSEL OF THE COMMISSION.

(a) VACANCY IN THE OFFICE OF GENERAL COUNSEL.—Section 306(f) of FECA (2 U.S.C. 437c(f)) is amended by adding at the end the following new paragraph:

"(5) In the event of a vacancy in the office of general counsel, the next highest ranking enforcement official in the general counsel's office shall serve as acting general counsel with full powers of the general counsel until a successor is appointed.".

(b) PAY OF THE GENERAL COUNSEL.—Section 306(f)(1) of FECA (2 U.S.C. 437c(f)(1)) is amended—

(1) by inserting "and the general counsel" after "staff director" in the second sentence; and

(2) by striking the third sentence.

SEC. 604. ENFORCEMENT.

(a) IN GENERAL.—Section 309 of FECA (2 U.S.C. 437g) is amended—

(1) in subsection (a)—

(A) by amending paragraph (2) to read as follows:

"(2)(A)(i) If the Commission, upon receiving a complaint under paragraph (1) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, agrees, by an affirmative vote of 3 of its members, with the General Counsel's recommendation that facts have been alleged or ascertained that, if true, give reason to investigate whether a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1986 has occurred or is about to occur, the Commission shall, through its Chairman or Vice Chairman, notify the person of the alleged violation. The General Counsel may make an investigation of the alleged violation, which may include a field investigation or audit, in accordance with this section.

"(ii) If the General Counsel recommends that the Commission find no reason to believe an alleged violation has occurred and the Commission rejects that recommendation by an affirmative vote of 4 of its members, the Commission shall notify the person of the alleged violation and shall direct the General Counsel to make an investigation in accordance with clause (i).

"(B)(i) Notwithstanding section 307, in an investigation conducted under this section, the General Counsel shall have the powers provided in section 307(a) (2), (3), (4), and (5), including the power to issue subpoenas signed by the General Counsel.

"(ii) A person to whom a subpoena is directed by the General Counsel may file a motion to quash or modify the subpoena with the Commission prior to the time specified therein for compliance, but in no case more than 5 days after receipt of such subpoena. The Commission may determine, on an affirmative vote of 4 of its members, to quash or modify the subpoena at issue.";

(B) by adding at the end of paragraph (4)(A) the following new clauses:

"(iii) In a case initiated by a complaint under paragraph (1), if the General Counsel recommends that the Commission find probable cause to believe that a person has committed, or is about to commit, a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986, and the Commission fails to sustain or reject the General Counsel's recommendation, or any portion thereof, by an affirmative vote of 4 of its members, the complainant may bring a civil action in any district court of the United States described in paragraph (6)(A) in the name of the complainant to remedy the violation alleged in the complaint on which the Commission failed to achieve 4 votes.

"(iv) In a civil action brought by a complainant under subparagraph (iii), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty that does not exceed the maximum amount permitted under paragraph (6)(B). A prevailing complainant shall be awarded an amount deemed appropriate by the court, but in no case more than 10 percent of the proceeds, which shall be paid out of the proceeds. The complainant shall also be awarded an amount for reasonable expenses that the court finds to have been necessarily incurred, plus reasonable attorneys' fees, and costs. All such expenses, fees and costs shall be awarded against the defendant."; and

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

"(14) Nothing in this subsection shall be construed to limit the ability of the Commission to determine at any time to take no further action in a proceeding under this subsection."; and

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

"(e)(1) A complaint filed under subsection (a)(1) shall be, to the best of the signer's knowledge, information, and belief (formed after reasonable inquiry), well grounded in fact and warranted by a Commission regulation or decisional precedent or a good faith argument for the extension, modification, or reversal of existing law, and shall not be interposed for any improper purpose, such as to harass or to cause any unnecessary delay or needless increase in the cost of litigation.

"(2) If the Commission determines, on its own motion or on the basis of a complaint, that a complaint fails to meet the requirements of paragraph (1), it may proceed against the complainant in accordance with this section. In such a case, a conciliation agreement entered into by the Commission under paragraph (4)(A) may include a requirement that a party to the conciliation agreement pay a civil penalty not to exceed $20,000.".

(b) AUTHORITY TO SEEK INJUNCTION.—(1) Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended by adding at the end the following new paragraph:

"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

"(i) there is a substantial likelihood that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986 is occurring or is about to occur;

"(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

"(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

"(iv) the public interest would be best served by the issuance of an injunction,

the Commission may initiate a civil action for a temporary restraining order or a temporary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

"(B)(i) If the complaint in a proceeding was filed within 60 days immediately preceding a general election, the Commission may take action described in this subparagraph.

"(ii) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to it, that there is clear and convincing evidence that a violation of this Act or of chapter 95 or 96 of the Internal Revenue Code of 1986 has occurred, is occurring, or is about to occur and it appears that the requirements for relief stated in subparagraph (A) (ii), (iii), and (iv) are met, the Commission may—

"(I) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(II) if the Commission determines that there is insufficient time to conduct proceedings before the election, immediately seek relief under subparagraph (A).

"(iii) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to it, that the complaint is clearly without merit, the Commission may—

"(I) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(II) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.

"(C) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found or in which the violation is occurring, has occurred, or is about to occur.".

(2) Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended—

(A) in paragraph (7) by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

(B) in paragraph (11) by striking "(6)" and inserting "(6) or (13)".

(c) REFERRAL OF APPARENT VIOLATIONS TO THE ATTORNEY GENERAL.—Section 309(a)(5)(C) of FECA (2 U.S.C. 437g(a)(5)(C)) is amended by adding the following at the end: "The preceding sentence shall not be construed to detract from the general authority of the Commission under section 307(a)(9) to refer an apparent violation of law, including a violation of this Act, to the Attorney General at any time without making a finding of probable cause.".

(d) FAILURE TO PRESENT MATTER BEFORE THE COMMISSION.—Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) In a proceeding before a district court or court of appeals in which there is under review a decision of the Commission made in

a proceeding under this section, the court shall not consider an argument, objection, issue, or other matter that was not presented to the Commission, but if the court finds that there was good cause for the failure to present the matter to the Commission, the court may remand the proceeding to the Commission for consideration of the matter.".

(e) REPRESENTATION OF THE COMMISSION IN COURT.—Section 306(f)(4) of FECA (2 U.S.C. 437c(f)(4)) is amended by adding at the end thereof the following: "The Commission may appear and submit briefs as amicus curiae in a proceeding a decision in which may affect the administration of this Act even though the proceeding may not arise under this Act or require interpretation or application of this Act. In any proceeding in which the Commission appears under authority of this paragraph or section 309, the Commission and its attorneys may be required to comply with local court rules, except that the Commission shall not be required to appear by local counsel.".

SEC. 605. PENALTIES.

(a) PENALTIES PRESCRIBED IN CONCILIATION AGREEMENTS.—(1) Section 309(a)(5)(A) of FECA (2 U.S.C. 437g(a)(5)(A)) is amended by striking "which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation." and inserting "which—

"(i) is not less than 50 percent of all contributions and expenditures involved in the violation (or such lesser amount as the Commission provides if necessary to ensure that the penalty is not unjustly disproportionate to the violation); and

"(ii) does not exceed the greater of $5,000 or all contributions and expenditures involved in the violation.".

(2) Section 309(a)(5)(B) of FECA (2 U.S.C. 437g(a)(5)(B)) is amended by striking "which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation." and inserting "which—

"(i) is not less than all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $10,000 or 150 percent of all contributions and expenditures involved in the violation.".

(b) PENALTIES WHEN VIOLATIONS ARE ADJUDICATED IN COURT.—(1) Section 309(a)(6)(A) of FECA (2 U.S.C. 437g(a)(6)(A)) is amended by striking all that follows "appropriate order" and inserting ", including an order for a civil penalty in the amount determined under subparagraph (B) or (C) in the district court of the United States for the district in which the defendant resides, transacts business, or may be found or in which the violation occurred.".

(2) Section 309(a)(6)(B) of FECA (2 U.S.C. 437g(a)(6)(B)) is amended by striking all that follows "other order" and inserting ", including an order for a civil penalty which—

"(i) is not less than all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $10,000 or 200 percent of all contributions and expenditures involved in the violation,

upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986.".

(3) Section 309(a)(6)(C) of FECA (29 U.S.C. 437g(6)(C)) is amended by striking "a civil penalty" and all that follows and inserting "a civil penalty which—

"(i) is not less than 200 percent of all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $20,000 or 250 percent of all contributions and expenditures involved in the violation.".

SEC. 606. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended—

(1) by inserting "(1)" before "The Commission"; and

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

"(2) Notwithstanding paragraph (1), the Commission may from time to time conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process. This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986 or to an authorized committee of an eligible Senate candidate subject to audit under section 505(a).".

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended by striking "6 months" and inserting "12 months".

SEC. 607. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of FECA (2 U.S.C. 441h) is amended—

(1) by inserting after "SEC. 322." the following: "(a)"; and

(2) by adding at the end the following:

"(b) No person shall solicit contributions by falsely representing himself as a candidate or as a representative of a candidate, a political committee, or a political party.".

SEC. 608. REGULATIONS RELATING TO USE OF NON-FEDERAL MONEY.

Section 306 of FECA (2 U.S.C. 437c) is amended by adding at the end the following new subsection:

"(g) The Commission shall promulgate regulations to prohibit devices or arrangements which have the purpose or effect of undermining or evading the provisions of this Act restricting the use of non-Federal money to affect Federal elections.".

SEC. 609. SIMULTANEOUS REGISTRATION OF CANDIDATE AND CANDIDATE'S PRINCIPAL CAMPAIGN COMMITTEE.

Section 303(a) of FECA (2 U.S.C. 433(a)) is amended in the first sentence by striking "no later than 10 days after designation" and inserting "on the date of its designation".

SEC. 610. REIMBURSEMENT FUND.

Section 311 of FECA (2 U.S.C. 438) is amended by adding at the end thereof the following new subsection:

"(g)(1) There is established in the Treasury of the United States a Federal Election Commission Reimbursement fund (referred to in this subsection as the 'fund').

"(2) There shall be credited to the fund an amount equal to—

"(A) the expenses of the Commission incurred in preparing copies of documents, publications, computer tapes, and other forms of records sold to the public;

"(B) the expenses of the Commission incurred in responding to requests for records under section 552 of title 5, United States Code; and

"(C) costs awarded to the Commission in litigation.

"(3) Amounts credited to the fund shall be available without fiscal year limitation to the Commission, in addition to amounts otherwise appropriated to the Commission, for the purpose of paying the expenses of the Commission in providing records to the public as described in subparagraphs (A) and (B) and in providing at no charge to the public informational publications designed to assist candidates, political committees, and other persons in complying with this Act.".

SEC. 611. INSOLVENT POLITICAL COMMITTEES.

Section 303(d) of FECA (2 U.S.C. 433(d)) is amended by adding at the end the following new paragraph:

"(3) Proceedings by the Commission under paragraph (2) constitute the sole means, to the exclusion of proceedings under title 11, United States Code, by which a political committee that is determined by the Commission to be insolvent may compromise its debts, liquidate its assets, and terminate its existence.".

TITLE VII—MISCELLANEOUS

SEC. 701. PROHIBITION OF LEADERSHIP COMMITTEES.

Section 302(e) of FECA (2 U.S.C. 432(e)) is amended—

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

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

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee."; and

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

"(6)(A) A candidate for Federal office or any individual holding Federal office may not establish, finance, maintain, or control any Federal or non-Federal political committee other than a principal campaign committee of the candidate, authorized committee, party committee, or other political committee designated in accordance with paragraph (3). A candidate for more than one Federal office may designate a separate principal campaign committee for each Federal office. This paragraph shall not preclude a Federal officeholder who is a candidate for State or local office from establishing, financing, maintaining, or controlling a political committee for election of the individual to such State or local office.

"(B) For one year after the effective date of this paragraph, any political committee established before such date but which is prohibited under subparagraph (A) may continue to make contributions. At the end of that period such political committee shall disburse all funds by one or more of the following means: making contributions to an entity qualified under section 501(c)(3) of the Internal Revenue Code of 1986; making a contribution to the treasury of the United States; contributing to the national, State or local committees of a political party; or making contributions not to exceed $1,000 to candidates for elective office.".

SEC. 702. POLLING DATA CONTRIBUTED TO CANDIDATES.

Section 301(8) of FECA (2 U.S.C. 431(8)), as amended by section 315(b), is amended by inserting at the end the following new subparagraph:

"(D) A contribution of polling data to a candidate shall be valued at the usual and normal charge for the data on the date the poll was completed, depreciated at a rate not more than 1 percent per day from such date to the date on which the contribution was made.".

SEC. 703. DEBATES BY GENERAL ELECTION CANDIDATES WHO RECEIVE AMOUNTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

Section 315(b) of FECA (2 U.S.C. 441a(b)) is amended by adding at the end the following new paragraph:

"(3)(A) The candidates of a political party for the offices of President and Vice President who are receiving payments under section 9003 of the Internal Revenue Code of 1986 from the Secretary of the Treasury shall refund such payments unless both of such candidates agree in writing—

"(i) that the candidate for the office of President will participate in at least 3 debates, sponsored by a nonpartisan or bipartisan organization, with all other candidates for that office who are receiving payments under that section; and

"(ii) that the candidate of the party for the office of Vice President will participate in at least 1 debate, sponsored by a nonpartisan or bipartisan organization, with all other candidates for that office who are receiving payments under that section.

"(B) If the Commission determines that either of the candidates of a political party failed to participate in a debate under subparagraph (A) and was responsible at least in part for such failure, the candidate of the party involved shall—

"(i) not receive payments under section 9006 of the Internal Revenue Code of 1986; and

"(ii) pay to the Secretary of the Treasury an amount equal to the amount of the payments made to the candidate under that section.".

SEC. 704. TELEPHONE VOTING BY PERSONS WITH DISABILITIES.

(a) STUDY OF SYSTEMS TO PERMIT PERSONS WITH DISABILITIES TO VOTE BY TELEPHONE.—

(1) IN GENERAL.—The Federal Election Commission shall conduct a study to determine the feasibility of developing a system or systems by which persons with disabilities may be permitted to vote by telephone.

(2) CONSULTATION.—The Federal Election Commission shall conduct the study described in paragraph (1) in consultation with State and local election officials, representatives of the telecommunications industry, representatives of persons with disabilities, and other concerned members of the public.

(3) CRITERIA.—The system or systems developed pursuant to paragraph (1) shall—

(A) propose a description of the kinds of disabilities that impose such difficulty in travel to polling places that a person with a disability who may desire to vote is discouraged from undertaking such travel;

(B) propose procedures to identify persons who are so disabled; and

(C) describe procedures and equipment that may be used to ensure that—

(i) only those persons who are entitled to use the system are permitted to use it;

(ii) the votes of persons who use the system are recorded accurately and remain secret;

(iii) the system minimizes the possibility of vote fraud; and

(iv) the system minimizes the financial costs that State and local governments would incur in establishing and operating the system.

(4) REQUESTS FOR PROPOSALS.—In developing a system described in paragraph (1), the Federal Election Commission may request proposals from private contractors for the design of procedures and equipment to be used in the system.

(5) PHYSICAL ACCESS.—Nothing in this section is intended to supersede or supplant efforts by State and local governments to make polling places physically accessible to persons with disabilities.

(6) DEADLINE.—The Federal Election Commission shall submit to Congress the study required by this section not later than 1 year after the effective date of this Act.

SEC. 705. PROVISIONS RELATING TO PRESIDENTIAL PRIMARY ELECTIONS.

(a) LIMITATION ON PRESIDENTIAL PRIMARY EXPENDITURES.—Section 315(b)(1)(A) of FECA (2 U.S.C. 441a(b)(1)(A)) is amended to read as follows:

"(A) $12,000,000, in the case of a campaign for nomination for election to such office; or".

(b) MINIMUM CONTRIBUTIONS.—Section 9033(b)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking "$5,000" and inserting "$15,000"; and

(2) by striking "20 States" and inserting "26 States".

(c) CONFORMING AMENDMENT.—Clause (vi) of section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)(vi)) is hereby repealed.

SEC. 706. CERTAIN TAX-EXEMPT ORGANIZATIONS NOT SUBJECT TO CORPORATE LIMITS.

Section 316 of FECA (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

"(c) PROHIBITIONS NOT TO APPLY TO INDEPENDENT EXPENDITURES OF CERTAIN TAX-EXEMPT ORGANIZATIONS.—(1) Nothing in this section shall preclude a qualified nonprofit corporation from making independent expenditures (as defined in section 301(17)).

"(2) For purposes of this subsection, the term 'qualified nonprofit corporation' means a corporation exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 which is described in section 501(c)(4) of such Code and which meets the following requirements:

"(A) Its only express purpose is the promotion of political ideas.

"(B) It cannot and does not engage in any activities that constitute a trade or business.

"(C) Its gross receipts for the calendar year have not (and will not) exceed $100,000, and the net value of its total assets at any time during the calendar year do not exceed $250,000.

"(D) It was not established by a person described in section 501(c)(6) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of such Code, a corporation engaged in carrying out a trade or business, or a labor organization, and it cannot and does not directly or indirectly accept donations of anything of value from any such person, corporation, or labor organization.

"(E) It—

"(i) has no shareholder or other person affiliated with it that could make a claim on its assets or earnings, and

"(ii) offers no incentives or disincentives for associating or not associating with it other than on the basis of its position on any political issue.

"(3) If a major purpose of a qualified nonprofit corporation is the making of independent expenditures, and the requirements of section 301(4) are met with respect to the corporation, the corporation shall be treated as a political committee.

"(4) All solicitations by a qualified nonprofit corporation shall include a notice informing contributors that donations may be used by the corporation to make independent expenditures.

"(5) A qualified nonprofit corporation shall file reports as required by section 304 (c) and (d).".

SEC. 707. AIDING AND ABETTING VIOLATIONS OF FECA.

Title III of FECA, as amended by section 313, is amended by adding at the end the following new section:

"AIDING AND ABETTING VIOLATIONS

"SEC. 325. With reference to any provision of this Act that places a requirement or prohibition on any person acting in a particular capacity, any person who knowingly aids or abets the person in that capacity in violating that provision may be proceeded against as a principal in the violation.".

SEC. 708. DEPOSIT OF REPAYMENTS OF EXCESS PAYMENTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

Subsection (d) of section 9007 of the Internal Revenue Code of 1986 (relating to examinations, audits, and repayments) is amended to read as follows:

"(d) DEPOSIT OF REPAYMENTS.—All payments received by the Secretary under this section shall be deposited in the fund.".

SEC. 709. DISQUALIFICATION FROM RECEIVING PUBLIC FUNDING FOR PRESIDENTIAL ELECTION CAMPAIGNS.

(a) GENERAL ELECTION.—Section 9003 of the Internal Revenue Code of 1986 (relating to condition for eligibility to receive payments) is amended by adding at the end the following new subsection:

"(e) DISQUALIFICATION.—A person who has been convicted of a violation of this chapter or chapter 96 shall be ineligible to receive benefits under this chapter on and after the date of the conviction.".

(b) PRIMARY ELECTION.—Section 9033 of the Internal Revenue Code of 1986 (relating to condition for eligibility to receive payments) is amended by adding at the end the following new subsection:

"(d) DISQUALIFICATION.—A person who has been convicted of a violation of this chapter or chapter 95 shall be ineligible to receive benefits under this chapter on and after the date of the conviction.".

SEC. 710. PROHIBITION OF CONTRIBUTIONS TO PRESIDENTIAL CANDIDATES WHO RECEIVE PUBLIC FUNDING IN THE GENERAL ELECTION CAMPAIGN.

Section 315 of FECA (2 U.S.C. 441a), as amended by section 402, is amended by adding at the end the following new subsection:

"(o) Except to the extent permitted under sections 9003 (b)(2) and (c)(2) of the Internal Revenue Code of 1986, no person shall make a contribution to a candidate who has become eligible to receive benefits under chapter 95 of such Code by making a certification described in section 9003 (b) and (c) of such Code.".

TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS

SEC. 801. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act but shall not apply with respect to activities in connection with any election occurring before January 1, 1995.

SEC. 802. BUDGET NEUTRALITY.

(a) DELAYED EFFECTIVENESS.—The provisions of this Act (other than this section)

shall not be effective until the Director of the Office of Management and Budget certifies that the estimated costs under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 have been offset by the enactment of legislation effectuating this Act.

(b) FUNDING.—Legislation effectuating this Act shall not provide for general revenue increases, reduce expenditures for any existing Federal programs, or increase the Federal budget deficit, but shall provide that the legislation be funded by imposing a Federal income tax at the top corporate rate on political committees of candidates who do not abide by the Federal campaign spending limits.

SEC. 803. SEVERABILITY.

Except as provided in section 101(c), if any provision of this Act (including any amendment made by this Act), or the application of any such provision to any person or circumstance, is held invalid, the validity of any other provision of this Act, or the application of such provision to other persons and circumstances, shall not be affected thereby.

SEC. 804. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court finding any provision of this Act, or amendment made by this Act, to be unconstitutional.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 805. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out the provisions of this Act within 9 months after the effective date of this Act.

AMENDMENT NO. 431

In lieu of the matter proposed to be inserted, insert the followng:

SECTION 1. SHORT TITLE; AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Congressional Campaign Spending Limit and Election Reform Act of 1993".

(b) AMENDMENT OF FECA.—When used in this Act, the term "FECA" means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of Campaign Act; table of contents.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—Senate Election Campaign Spending Limits and Benefits

Sec. 101. Senate spending limits and benefits.
Sec. 102. Ban on activities of political action committees in Federal elections.
Sec. 103. Reporting requirements.
Sec. 104. Disclosure by noneligible candidates.
Sec. 105. Excess campaign funds of Senate candidates.

Subtitle B—General Provisions

Sec. 131. Broadcast rates and preemption.
Sec. 132. Extension of reduced third-class mailing rates to eligible Senate candidates.
Sec. 133. Reporting requirements for certain independent expenditures.
Sec. 134. Campaign advertising amendments.
Sec. 135. Definitions.
Sec. 136. Provisions relating to franked mass mailings.

TITLE II—INDEPENDENT EXPENDITURES

Sec. 201. Clarification of definitions relating to independent expenditures.
Sec. 202. Equal broadcast time.

TITLE III—EXPENDITURES

Subtitle A—Personal Loans; Credit

Sec. 301. Personal contributions and loans.
Sec. 302. Extensions of credit.

Subtitle B—Provisions Relating to Soft Money of Political Parties

Sec. 311. Definitions.
Sec. 312. Contributions to political party committees.
Sec. 313. Provisions relating to national, State, and local party committees.
Sec. 314. Restrictions on fundraising by candidates and officeholders.
Sec. 315. Reporting requirements.

TITLE IV—CONTRIBUTIONS

Sec. 401. Contributions through intermediaries and conduits; prohibition on certain contributions by lobbyists.
Sec. 402. Contributions by dependents not of voting age.
Sec. 403. Contributions to candidates from State and local committees of political parties to be aggregated.
Sec. 404. Contributions and expenditures using money secured by physical force or other intimidation.
Sec. 405. Prohibition of acceptance by a candidate of cash contributions from any one person aggregating more than $100.

TITLE V—REPORTING REQUIREMENTS

Sec. 501. Change in certain reporting from a calendar year basis to an election cycle basis.
Sec. 502. Personal and consulting services.
Sec. 503. Computerized indices of contributions.
Sec. 504. Filing of reports using computers and facsimile machines.
Sec. 505. Political committees.

TITLE VI—FEDERAL ELECTION COMMISSION

Sec. 601. Use of candidates' names.
Sec. 602. Reporting requirements.
Sec. 603. Provisions relating to the general counsel of the Commission.
Sec. 604. Enforcement.
Sec. 605. Penalties.
Sec. 606. Audits.
Sec. 607. Prohibition of false representation to solicit contributions.
Sec. 608. Regulations relating to use of non-Federal money.
Sec. 609. Simultaneous registration of candidate and candidate's principal campaign committee.
Sec. 610. Reimbursement fund.
Sec. 611. Insolvent political committees.

TITLE VII—MISCELLANEOUS

Sec. 701. Prohibition of leadership committees.
Sec. 702. Polling data contributed to candidates.
Sec. 703. Debates by general election candidates who receive amounts from the Presidential Election Campaign Fund.
Sec. 704. Telephone voting by persons with disabilities.
Sec. 705. Provisions relating to Presidential primary elections.
Sec. 706. Certain tax-exempt organizations not subject to corporate limits.
Sec. 707. Aiding and abetting violations of FECA.
Sec. 708. Deposit of repayments of excess payments from the Presidential Election Campaign Fund.
Sec. 709. Disqualification from receiving public funding for Presidential election campaigns.
Sec. 710. Prohibition of contributions to Presidential candidates who receive public funding in the general election campaign.

TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS

Sec. 801. Effective date.
Sec. 802. Budget neutrality.
Sec. 803. Severability.
Sec. 804. Expedited review of constitutional issues.
Sec. 805. Regulations.

TITLE I—CONTROL OF CONGRESSIONAL CAMPAIGN SPENDING

Subtitle A—Senate Election Campaign Spending Limits and Benefits

SEC. 101. SENATE SPENDING LIMITS AND BENEFITS.

(a) IN GENERAL.—FECA is amended by adding at the end thereof the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.

"(a) IN GENERAL.—For purposes of this title, a candidate is an eligible Senate candidate if the candidate—

"(1) meets the primary and general election filing requirements of subsections (b) and (c);

"(2) meets the primary and runoff election expenditure limits of subsection (d); and

"(3) meets the threshold contribution requirements of subsection (e).

"(b) PRIMARY FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate files with the Secretary of the Senate a declaration that—

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

"(i) will meet the primary and runoff election expenditure limits of subsection (d); and

"(ii) will only accept contributions for the primary and runoff elections which do not exceed such limits;

"(B) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 502(b);

"(C) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 502(a); and

"(D) the candidate and the candidate's authorized committees will meet the closed captioning requirements of section 509.

"(2) The declaration under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

"(c) GENERAL ELECTION FILING REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate certifies to the Secretary of the Senate, under penalty of perjury, that—

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

"(i) met the primary and runoff election expenditure limits under subsection (d); and

"(ii) did not accept contributions for the primary or runoff election in excess of the

primary or runoff expenditure limit under subsection (d), whichever is applicable, reduced by any amounts transferred to this election cycle from a preceding election cycle;

"(B) the candidate met the threshold contribution requirement under subsection (e), and that only allowable contributions were taken into account in meeting such requirement;

"(C) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(D) such candidate and the authorized committees of such candidate—

"(i) except as otherwise provided by this title, will not make expenditures which exceed the general election expenditure limit under section 502(b);

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

"(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that such contribution would cause the aggregate amount of such contributions to exceed the sum of the amount of the general election expenditure limit under section 502(b) and the amounts described in subsections (c), (d), and (e) of section 502, reduced by any amounts transferred to this election cycle from a previous election cycle and not taken into account under subparagraph (A)(ii);

"(iv) will deposit all payments received under this title in an account insured by the Federal Deposit Insurance Corporation from which funds may be withdrawn by check or similar means of payment to third parties;

"(v) will furnish campaign records, evidence of contributions, and other appropriate information to the Commission;

"(vi) will cooperate in the case of any audit and examination by the Commission under section 505 and will pay any amounts required to be paid under that section; and

"(vii) will meet the closed captioning requirements of section 509; and

"(E) the candidate intends to make use of the benefits provided under section 503.

"(2) The certification under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date the candidate qualifies for the general election ballot under State law; or

"(B) if, under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

"(d) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—(1) The requirements of this subsection are met if:

"(A) The candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

"(i) 67 percent of the general election expenditure limit under section 502(b); or

"(ii) $2,750,000.

"(B) The candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 502(b).

"(2) The limitations under subparagraphs (A) and (B) of paragraph (1) with respect to any candidate shall be increased by the aggregate amount of independent expenditures in opposition to, or on behalf of any opponent of, such candidate during the primary or runoff election period, whichever is applicable, which are required to be reported to the Secretary of the Senate or to the Commission with respect to such period under section 304.

"(3)(A) If the contributions received by the candidate or the candidate's authorized committees for the primary election or runoff election exceed the expenditures for either such election, such excess contributions shall be treated as contributions for the general election and expenditures for the general election may be made from such excess contributions.

"(B) Subparagraph (A) shall not apply to the extent that such treatment of excess contributions—

"(i) would result in the violation of any limitation under section 315; or

"(ii) would cause the aggregate contributions received for the general election to exceed the limits under subsection (c)(1)(D)(iii).

"(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—(1) The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to the lesser of—

"(A) 10 percent of the general election expenditure limit under section 502(b); or

"(B) $250,000.

"(2) For purposes of this section and subsections (b) and (c) of section 503—

"(A) The term 'allowable contributions' means contributions which are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor.

"(B) The term 'allowable contributions' shall not include—

"(i) contributions made directly or indirectly through an intermediary or conduit which are treated as made by such intermediary or conduit under section 315(a)(8)(B);

"(ii) contributions from any individual during the applicable period to the extent such contributions exceed $250; or

"(iii) contributions from individuals residing outside the candidate's State to the extent such contributions exceed 50 percent of the aggregate allowable contributions (without regard to this clause) received by the candidate during the applicable period.

Clauses (ii) and (iii) shall not apply for purposes of section 503(b).

"(3) For purposes of this subsection and subsections (b) and (c) of section 503, the term 'applicable period' means—

"(A) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on—

"(i) the date on which the certification under subsection (c) is filed by the candidate; or

"(ii) for purposes of subsections (b) and (c) of section 503, the date of such general election; or

"(B) in the case of a special election for the office of United States Senator, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election involved.

"(f) INDEXING.—The $2,750,000 amount under subsection (d)(1) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that, for purposes of subsection (d)(1) and section 502(b)(3), the base period shall be calendar year 1996.

"SEC. 502. LIMITATIONS ON EXPENDITURES.

"(a) LIMITATION ON USE OF PERSONAL FUNDS.—(1) The aggregate amount of expenditures which may be made during an election cycle by an eligible Senate candidate or such candidate's authorized committees from the sources described in paragraph (2) shall not exceed the lesser of—

"(A) 10 percent of the general election expenditure limit under subsection (b); or

"(B) $250,000.

"(2) A source is described in this paragraph if it is—

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

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

"(b) GENERAL ELECTION EXPENDITURE LIMIT.—(1) Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) $5,500,000; or

"(B) the greater of—

"(i) $950,000; or

"(ii) $400,000; plus

"(I) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) In the case of an eligible Senate candidate in a State which has no more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(3) The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 501(f) (relating to indexing).

"(c) LEGAL AND ACCOUNTING COMPLIANCE FUND.—(1) The limitation under subsection (b) shall not apply to qualified legal and accounting expenditures made by a candidate or the candidate's authorized committees or a Federal officeholder from a legal and accounting compliance fund meeting the requirements of paragraph (2).

"(2) A legal and accounting compliance fund meets the requirements of this paragraph if—

"(A) the fund is established with respect to qualified legal and accounting expenditures incurred with respect to a particular general election;

"(B) the only amounts transferred to the fund are amounts received in accordance with the limitations, prohibitions, and reporting requirements of this Act;

"(C) the aggregate amounts transferred to, and expenditures made from, the fund with respect to the election cycle do not exceed the sum of—

"(i) the lesser of—

"(I) 15 percent of the general election expenditure limit under subsection (b) for the general election for which the fund was established; or

"(II) $300,000; plus

"(ii) the amount determined under paragraph (4); and

"(D) no funds received by the candidate pursuant to section 503(a)(3) may be transferred to the fund.

"(3) For purposes of this subsection, the term 'qualified legal and accounting expenditures' means the following:

"(A) Any expenditures for costs of legal and accounting services provided in connection with—

"(i) any administrative or court proceeding initiated pursuant to this Act for the general election for which the legal and accounting fund was established; or

"(ii) the preparation of any documents or reports required by this Act or the Commission.

"(B) Any expenditures for legal and accounting services provided in connection with the general election for which the legal and accounting compliance fund was established to ensure compliance with this Act with respect to the election cycle for such general election.

"(4)(A) If, after a general election, a candidate determines that the qualified legal and accounting expenditures will exceed the limitation under paragraph (2)(C)(i), the candidate may petition the Commission by filing with the Secretary of the Senate a request for an increase in such limitation. The Commission shall authorize an increase in such limitation in the amount (if any) by which the Commission determines the qualified legal and accounting expenditures exceed such limitation. Such determination shall be subject to judicial review under section 506.

"(B) Except as provided in section 315, any contribution received or expenditure made pursuant to this paragraph shall not be taken into account for any contribution or expenditure limit applicable to the candidate under this title.

"(5) Any funds in a legal and accounting compliance fund shall be treated for purposes of this Act as a separate segregated fund, except that any portion of the fund not used to pay qualified legal and accounting expenditures, and not transferred to a legal and accounting compliance fund for the election cycle for the next general election, shall be treated in the same manner as other campaign funds for purposes of section 313(b).

"(d) PAYMENT OF TAXES ON EARNINGS.—The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local income taxes on the earnings of a candidate's authorized committees.

"(e) CERTAIN EXPENSES.—In the case of an eligible Senate candidate who holds a Federal office, the limitation under subsection (b) shall not apply to ordinary and necessary expenses of travel of such individual and the individual's spouse and children between Washington, D.C. and the individual's State in connection with the individual's activities as a holder of Federal office.

"(f) EXPENDITURES.—For purposes of this title, the term 'expenditure' has the meaning given such term by section 301(9), except that in determining any expenditures made by, or on behalf of, a candidate or a candidate's authorized committees, section 301(9)(B) shall be applied without regard to clause (ii) thereof.

"SEC. 503. BENEFITS ELIGIBLE CANDIDATE ENTITLED TO RECEIVE.

"(a) IN GENERAL.—An eligible Senate candidate shall be entitled to—

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

"(2) the mailing rates provided in section 3626(e) of title 39, United States Code; and

"(3) payments from the Senate Election Campaign Fund in an amount equal to—

"(A) the excess expenditure amount determined under subsection (b); and

"(B) the independent expenditure amount determined under subsection (c).

"(b) EXCESS EXPENDITURE AMOUNT.—(1) For purposes of subsection (a)(2)(A), except as provided in section 510(d), the amount determined under this subsection is, in the case of an eligible Senate candidate who has an opponent in the general election who receives contributions, or makes (or obligates to make) expenditures, for such election in excess of the general election expenditure limit under section 502(b), the excess expenditure amount.

"(2) For purposes of paragraph (1), the excess expenditure amount is the amount determined as follows:

"(A) In the case of a major party candidate, an amount equal to the sum of—

"(i) if the excess described in paragraph (1) is less than 133⅓ percent of the general election expenditure limit under section 502(b), an amount equal to one-third of such limit applicable to the eligible Senate candidate for the election; plus

"(ii) if such excess equals or exceeds 133⅓ percent but is less than 166⅔ percent of such limit, an amount equal to one-third of such limit; plus

"(iii) if such excess equals or exceeds 166⅔ percent of such limit, an amount equal to one-third of such limit.

"(B) In the case of an eligible Senate candidate who is not a major party candidate, an amount equal to the least of the following:

"(i) The allowable contributions of the eligible Senate candidate during the applicable period in excess of the threshold contribution requirement under section 501(e).

"(ii) 50 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(iii) The excess described in paragraph (1).

"(c) INDEPENDENT EXPENDITURE AMOUNT.—For purposes of subsection (a)(2)(B), the amount determined under this subsection is the total amount of independent expenditures made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of, an eligible Senate candidate which are required to be reported by such persons under section 304(c) with respect to the general election period and are certified by the Commission under section 304(c).

"(d) WAIVER OF EXPENDITURE AND CONTRIBUTION LIMITS.—(1)(A) An eligible Senate candidate who receives payments under subsection (a)(3) may make expenditures from such payments to defray expenditures for the general election without regard to the general election expenditure limit under section 502(b).

"(B) In the case of an eligible Senate candidate who is not a major party candidate, the general election expenditure limit under section 502(b) with respect to such candidate shall be increased by the amount (if any) by which the excess described in subsection (b)(1) exceeds the amount determined under subsection (b)(2)(B) with respect to such candidate.

"(2)(A) An eligible Senate candidate who receives benefits under this section may make expenditures for the general election without regard to clause (i) of section 501(c)(1)(D) or subsection (a) or (b) of section 502 if any one of the eligible Senate candidate's opponents who is not an eligible Senate candidate either raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 200 percent of the general election expenditure limit applicable to the eligible Senate candidate under section 502(b).

"(B) The amount of the expenditures which may be made by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(3)(A) A candidate who receives benefits under this section may receive contributions for the general election without regard to clause (iii) of section 501(c)(1)(D) if—

"(i) a major party candidate in the same general election is not an eligible Senate candidate; or

"(ii) any other candidate in the same general election who is not an eligible Senate candidate raises aggregate contributions, or makes or becomes obligated to make aggregate expenditures, for the general election that exceed 75 percent of the general election expenditure limit applicable to such other candidate under section 502(b).

"(B) The amount of contributions which may be received by reason of subparagraph (A) shall not exceed 100 percent of the general election expenditure limit under section 502(b).

"(e) USE OF PAYMENTS.—Payments received by a candidate under subsection (a)(3) shall be used to defray expenditures incurred with respect to the general election period for the candidate. Such payments shall not be used—

"(1) except as provided in paragraph (4), to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate;

"(2) to make any expenditure other than expenditures to further the general election of such candidate;

"(3) to make any expenditures which constitute a violation of any law of the United States or of the State in which the expenditure is made; or

"(4) subject to the provisions of section 315(j), to repay any loan to any person except to the extent the proceeds of such loan were used to further the general election of such candidate.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—(1) The Commission shall certify to any candidate meeting the requirements of section 501 that such candidate is an eligible Senate candidate entitled to benefits under this title. The Commission shall revoke such certification if it determines a candidate fails to continue to meet such requirements.

"(2) No later than 48 hours after an eligible Senate candidate files a request with the Secretary of the Senate to receive benefits under section 503, the Commission shall issue a certification stating whether such candidate is eligible for payments under this title from the Senate Election Campaign Fund and the amount of such payments to which such candidate is entitled. The request referred to in the preceding sentence shall contain—

"(A) such information and be made in accordance with such procedures as the Commission may provide by regulation; and

"(B) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 505 and judicial review under section 506.

"SEC. 505. EXAMINATION AND AUDITS; REPAYMENTS; CIVIL PENALTIES.

"(a) EXAMINATION AND AUDITS.—(1) The Commission shall conduct an examination and audit of the candidates' campaign accounts in 10 percent of the elections to seats in the Senate in each general election, and of the candidates' campaign accounts in each special election to a seat in the Senate, to determine, among other things, whether such candidates have complied with the expenditure limits and conditions of eligibility of this title, and other requirements of this Act. Such candidates shall be designated by the Commission through the use of an appropriate statistical method of random selection. If the Commission selects a general election to a Senate seat for examination and audit, the Commission shall examine and audit the campaign activities of all candidates in that general election whose expenditures were equal to or greater than 30 percent of the general election expenditure limit under section 502(b) for that election.

"(2) The Commission may conduct an examination and audit of the campaign accounts of any candidate in a general election for the office of United States Senator if the Commission determines that there exists reason to believe that such candidate may have violated any provision of this title.

"(b) EXCESS PAYMENTS; REVOCATION OF STATUS.—(1) If the Commission determines that payments were made to an eligible Senate candidate under this title in excess of the aggregate amounts to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay an amount equal to the excess.

"(2) If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a)(1), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the payments received under this title.

"(c) MISUSE OF BENEFITS.—If the Commission determines that any amount of any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, the Commission shall so notify such candidate and such candidate shall pay the amount of such benefit.

"(d) EXCESS EXPENDITURES.—If the Commission determines that any eligible Senate candidate who has received benefits under this title has made expenditures which in the aggregate exceed—

"(1) the primary or runoff expenditure limit under section 501(d); or

"(2) the general election expenditure limit under section 502(b),

the Commission shall so notify such candidate and such candidate shall pay an amount equal to the amount of the excess expenditures.

"(e) CIVIL PENALTIES.—(1) If the Commission determines that a candidate has committed a violation described in subsection (c), the Commission may assess a civil penalty against such candidate in an amount not greater than 200 percent of the amount involved.

"(2)(A) LOW AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 2.5 percent or less shall pay an amount equal to the amount of the excess expenditures.

"(B) MEDIUM AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by more than 2.5 percent and less than 5 percent shall pay an amount equal to three times the amount of the excess expenditures.

"(C) LARGE AMOUNT OF EXCESS EXPENDITURES.—Any eligible Senate candidate who makes expenditures that exceed any limitation described in paragraph (1) or (2) of subsection (d) by 5 percent or more shall pay an amount equal to the sum of—

"(i) three times the amount of the excess expenditures plus an additional amount determined by the Commission, plus

"(ii) if the Commission determines such excess expenditures were willful, an amount equal to the benefits the candidate received under this title.

"(f) UNEXPENDED FUNDS.—Any amount received by an eligible Senate candidate under this title and not expended on or before the date of the general election shall be repaid within 30 days of the election, except that a reasonable amount may be retained for a period not exceeding 120 days after the date of the general election for the liquidation of all obligations to pay expenditures for the general election incurred during the general election period. At the end of such 120-day period, any unexpended funds received under this title shall be promptly repaid.

"(g) PAYMENTS RETURNED TO SOURCE.—Any payment, repayment, or civil penalty required by this section shall be paid to the entity from which benefits under this title were paid to the eligible Senate candidate.

"(h) LIMIT ON PERIOD FOR NOTIFICATION.—No notification shall be made by the Commission under this section with respect to an election more than three years after the date of such election.

"SEC. 506. JUDICIAL REVIEW.

"(a) JUDICIAL REVIEW.—Any agency action by the Commission made under the provisions of this title shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within thirty days after the agency action by the Commission for which review is sought. It shall be the duty of the Court of Appeals, ahead of all matters not filed under this title, to advance on the docket and expeditiously take action on all petitions filed pursuant to this title.

"(b) APPLICATION OF TITLE 5.—The provisions of chapter 7 of title 5, United States Code, shall apply to judicial review of any agency action by the Commission.

"(c) AGENCY ACTION.—For purposes of this section, the term 'agency action' has the meaning given such term by section 551(13) of title 5, United States Code.

"SEC. 507. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) APPEARANCES.—The Commission is authorized to appear in and defend against any action instituted under this section and under section 506 either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) INSTITUTION OF ACTIONS.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined under this title to be payable to any entity from which benefits under this title were paid.

"(c) INJUNCTIVE RELIEF.—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate in order to implement any provision of this title.

"(d) APPEALS.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 508. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—The Commission shall, as soon as practicable after each election, submit a full report to the Senate setting forth—

"(1) the expenditures (shown in such detail as the Commission determines appropriate) made by each eligible Senate candidate and the authorized committees of such candidate;

"(2) the amounts certified by the Commission under section 504 as benefits available to each eligible Senate candidate;

"(3) the amount of repayments, if any, required under section 505 and the reasons for each repayment required; and

"(4) the balance in the Senate Election Campaign Fund (and any account thereof).

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) RULES AND REGULATIONS.—The Commission is authorized to prescribe (in accordance with the provisions of subsection (c)) such rules and regulations, to conduct such examinations and investigations, and to require the keeping and submission of such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this title.

"(c) STATEMENT TO SENATE.—Thirty days before prescribing any rule or regulation under subsection (b), the Commission shall transmit to the Senate a statement setting forth the proposed rule or regulation and containing a detailed explanation and justification of such rule or regulation.

"SEC. 509. CLOSED CAPTIONING REQUIREMENT FOR TELEVISION COMMERCIALS OF ELIGIBLE SENATE CANDIDATES.

"No eligible Senate candidate may receive amounts under section 503(a)(3) under section 503(a)(4) unless such candidate has certified that any television commercial prepared or distributed by the candidate will be prepared in a manner that contains, is accompanied by, or otherwise readily permits closed captioning of the oral content of the commercial to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies.

"SEC. 510. SENATE ELECTION CAMPAIGN FUND.

"(a) ESTABLISHMENT OF CAMPAIGN FUND.—(1) There is hereby established on the books of the Treasury of the United States a special fund to be known as the Senate Election Campaign Fund (hereafter in this section referred to as 'the Fund').

"(2) There are hereby appropriated to the Fund the following amounts:

"(A) Amounts received in the Treasury that are equivalent to the increase in Federal revenues by reason of the imposition of income tax on political committees of candidates who do not abide by the Federal campaign spending limits.

"(B) Amounts transferred to the Fund under any provision of this Act.

"(C) Amounts credited to the Fund under paragraph (3).

"(3) The Secretary of the Treasury shall transfer amounts to, and manage, the Fund in the manner provided under subchapter B of chapter 98 of the Internal Revenue Code of 1986.

"(4) Amounts in the Fund shall, subject to the availability of appropriations, be available only for the purposes of—

"(A) providing benefits under this title; and

"(B) making expenditures in connection with the administration of the Fund.

"(5) The Secretary shall maintain such accounts in the Fund as may be required by this title or which the Secretary determines to be necessary to carry out the provisions of this title.

"(b) PAYMENTS UPON CERTIFICATION.—Upon receipt of a certification from the Commission under section 504, except as provided in subsection (c), the Secretary shall, subject to the availability of appropriations, promptly pay the amount certified by the Commission to the candidate out of the Fund.

"(c) REDUCTIONS IN PAYMENTS IF FUNDS INSUFFICIENT.—(1) If, at the time of a certification by the Commission under section 504 for payment to an eligible candidate, the Secretary determines that the monies in the Fund are not, or may not be, sufficient to satisfy the full entitlement of all eligible candidates, the Secretary shall withhold from the amount of such payment or voucher such amount as the Secretary determines to be necessary to assure that each eligible candidate will receive the same pro rata share of such candidate's full entitlement.

"(2) Amounts withheld under paragraph (1) shall be paid when the Secretary determines that there are sufficient monies in the Fund to pay all, or a portion thereof, to all eligible candidates from whom amounts have been withheld, except that if only a portion is to be paid, it shall be paid in such manner that each eligible candidate receives an equal pro rata share of such portion.

"(3)(A) Not later than December 31 of any calendar year preceding a calendar year in which there is a regularly scheduled general election, the Secretary, after consultation with the Commission, shall make an estimate of—

"(i) the amount of monies in the Fund which will be available to make payments required by this title in the succeeding calendar year; and

"(ii) the amount of expenditures which will be required under this title in such calendar year.

"(B) If the Secretary determines that there will be insufficient monies in the Fund to make the expenditures required by this title for any calendar year, the Secretary shall notify each candidate on January 1 of such calendar year (or, if later, the date on which an individual becomes a candidate) of the amount which the Secretary estimates will be the pro rata reduction in each eligible candidate's payments under this subsection. Such notice shall be by registered mail.

"(C) The amount of the eligible candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of the estimated pro rata reduction.

"(4) The Secretary shall notify the Commission and each eligible candidate by registered mail of any actual reduction in the amount of any payment by reason of this subsection. If the amount of the reduction exceeds the amount estimated under paragraph (3), the candidate's contribution limit under section 501(c)(1)(D)(iii) shall be increased by the amount of such excess.".

(b) EFFECTIVE DATES.—(1) Except as provided in this subsection, the amendment made by subsection (a) shall apply to elections occurring after December 31, 1994.

(2) For purposes of any expenditure or contribution limit imposed by the amendment made by subsection (a)—

(A) no expenditure made before January 1, 1994, shall be taken into account, except that there shall be taken into account any such expenditure for goods or services to be provided after such date; and

(B) all cash, cash items, and Government securities on hand as of January 1, 1994, shall be taken into account in determining whether the contribution limit is met, except that there shall not be taken into account amounts used during the 60-day period beginning on January 1, 1994, to pay for expenditures which were incurred (but unpaid) before such date.

(c) EFFECT OF INVALIDITY ON OTHER PROVISIONS OF ACT.—If section 501, 502, or 503 of title V of FECA (as added by this section), or any part thereof, is held to be invalid, all provisions of, and amendments made by, this Act shall be treated as invalid.

SEC. 102. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 301 et seq.), as amended by section 404, is amended by adding at the end thereof the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 327. (a) Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office.

"(b) In the case of individuals who are executive or administrative personnel of an employer—

"(1) no contributions may be made by such individuals—

"(A) to any political committees established and maintained by any political party; or

"(B) to any candidate for election to the office of United States Senator or the candidate's authorized committees,

unless such contributions are not being made at the direction of, or otherwise controlled or influenced by, the employer; and

"(2) the aggregate amount of such contributions by all such individuals in any calendar year shall not exceed—

"(A) $20,000 in the case of such political committees; and

"(B) $5,000 in the case of any such candidate and the candidate's authorized committees.".

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Paragraph (4) of section 301 of FECA (2 U.S.C. 431(4)) is amended to read as follows:

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

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

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

"(C) any local committee of a political party which—

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

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

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

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end thereof the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee which is established or financed or maintained or controlled by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder.".

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

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

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

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

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the effective date in which the limitation under section 327 of such Act (as added by subsection (a)) is not in effect—

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

(2) in the case of a candidate for election, or nomination for election, to the office of President or Vice President or to the United States Senate (and such candidate's authorized committees), section 315(a)(2)(A) of FECA (2 U.S.C. 441a(a)(2)(A)) shall be applied by substituting "$1,000" for "$5,000";

(3) it shall be unlawful for a multicandidate political committee to make a contribution to a candidate for election, or nomination for election, to the United States Senate (or an authorized committee) to the extent that the making or accepting of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees to exceed the lesser of—

(A) $825,000; or

(B) 20 percent of the sum of the general election spending limit under section 502(b) of FECA plus the primary election spending limit under section 501(d)(1)(A) of FECA (without regard to whether the candidate is an eligible Senate candidate, as defined in section 301(19) of FECA).

In the case of an election cycle in which there is a runoff election, the limit determined under paragraph (3) shall be increased by an amount equal to 20 percent of the runoff election expenditure limit under section 501(d)(1)(A) of FECA (without regard to whether the candidate is such an eligible candidate). The $825,000 amount in paragraph (3) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c) of FECA, except that for purposes of paragraph (3), the base period shall be the calendar year 1996. A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (3) shall return the amount of such excess contribution to the contributor.

(e) RULE ENSURING PROHIBITION ON DIRECT CORPORATE AND LABOR SPENDING.—If section 316(a) of the Federal Election Campaign Act of 1971 is held to be invalid by reason of the

amendments made by this section, then the amendments made by this section shall not apply to contributions by any political committee that is directly or indirectly established, administered, or supported by a connected organization which is a bank, corporation, or other organization described in such section 316(a).

(f) RESTRICTIONS ON CONTRIBUTIONS TO POLITICAL COMMITTEES.—Paragraphs (1)(D) and (2)(D) of section 315(a) of FECA (2 U.S.C. 441a(a) (1)(D) and (2)(D)), as redesignated by section 312, are each amended by striking "$5,000" and inserting "$1,000".

(g) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by this section shall apply to elections (and the election cycles relating thereto) occurring after December 31, 1994.

(2) In applying the amendments made by this section, there shall not be taken into account—

(A) contributions made or received before January 1, 1994; or

(B) contributions made to, or received by, a candidate on or after January 1, 1994, to the extent such contributions are not greater than the excess (if any) of—

(i) such contributions received by any opponent of the candidate before January 1, 1994, over

(ii) such contributions received by the candidate before January 1, 1994.

SEC. 103. REPORTING REQUIREMENTS.

Title III of FECA is amended by adding after section 304 the following new section:

"REPORTING REQUIREMENTS FOR SENATE CANDIDATES

"SEC. 304A. (a) CANDIDATE OTHER THAN ELIGIBLE SENATE CANDIDATE.—(1) Each candidate for the office of United States Senator who does not file a certification with the Secretary of the Senate under section 501(c) shall file with the Secretary of the Senate a declaration as to whether such candidate intends to make expenditures for the general election in excess of the general election expenditure limit applicable to an eligible Senate candidate under section 502(b). Such declaration shall be filed at the time provided in section 501(c)(2).

"(2) Any candidate for the United States Senate who qualifies for the ballot for a general election—

"(A) who is not an eligible Senate candidate under section 501; and

"(B) who either raises aggregate contributions, or makes or obligates to make aggregate expenditures, for the general election which exceed 75 percent of the general election expenditure limit applicable to an eligible Senate candidate under section 502(b),

shall file a report with the Secretary of the Senate within 2 business days after such contributions have been raised or such expenditures have been made or obligated to be made (or, if later, within 2 business days after the date of qualification for the general election ballot), setting forth the candidate's total contributions and total expenditures for such election as of such date. Thereafter, such candidate shall file additional reports (until such contributions or expenditures exceed 200 percent of such limit) with the Secretary of the Senate within 2 business days after each time additional contributions are raised, or expenditures are made or are obligated to be made, which in the aggregate exceed an amount equal to 10 percent of such limit and after the total contributions or expenditures exceed 100, 133⅓, 166⅔, and 200 percent of such limit.

"(3) The Commission—

"(A) shall, within 2 business days of receipt of a declaration or report under paragraph (1) or (2), notify each eligible Senate candidate in the election involved about such declaration or report; and

"(B) if an opposing candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in excess of the applicable general election expenditure limit under section 502(b), shall certify, pursuant to the provisions of subsection (d), such eligibility for payment of any amount to which such eligible Senate candidate is entitled under section 503(a).

"(4) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate in a general election who is not an eligible Senate candidate has raised aggregate contributions, or made or has obligated to make aggregate expenditures, in the amounts which would require a report under paragraph (2). The Commission shall, within 2 business days after making each such determination, notify each eligible Senate candidate in the general election involved about such determination, and shall, when such contributions or expenditures exceed the general election expenditure limit under section 502(b), certify (pursuant to the provisions of subsection (d)) such candidate's eligibility for payment of any amount under section 503(a).

"(b) REPORTS ON PERSONAL FUNDS.—(1) Any candidate for the United States Senate who during the election cycle expends more than the limitation under section 502(a) during the election cycle from his personal funds, the funds of his immediate family, and personal loans incurred by the candidate and the candidate's immediate family shall file a report with the Secretary of the Senate within 2 business days after such expenditures have been made or loans incurred.

"(2) The Commission within 2 business days after a report has been filed under paragraph (1) shall notify each eligible Senate candidate in the election involved about each such report.

"(3) Notwithstanding the reporting requirements under this subsection, the Commission may make its own determination that a candidate for the United States Senate has made expenditures in excess of the amount under paragraph (1). The Commission within 2 business days after making such determination shall notify each eligible Senate candidate in the general election involved about each such determination.

"(c) CANDIDATES FOR OTHER OFFICES.—(1) Each individual—

"(A) who becomes a candidate for the office of United States Senator;

"(B) who, during the election cycle for such office, held any other Federal, State, or local office or was a candidate for such other office; and

"(C) who expended any amount during such election cycle before becoming a candidate for the office of United States Senator which would have been treated as an expenditure if such individual had been such a candidate, including amounts for activities to promote the image or name recognition of such individual,

shall, within 7 days of becoming a candidate for the office of United States Senator, report to the Secretary of the Senate the amount and nature of such expenditures.

"(2) Paragraph (1) shall not apply to any expenditures in connection with a Federal, State, or local election which has been held before the individual becomes a candidate for the office of United States Senator.

"(3) The Commission shall, as soon as practicable, make a determination as to whether the amounts included in the report under paragraph (1) were made for purposes of influencing the election of the individual to the office of United States Senator.

"(4) The Commission shall certify to the individual and such individual's opponents the amounts the Commission determines to be described in paragraph (3) and such amounts shall be treated as expenditures for purposes of this Act.

"(d) CERTIFICATIONS.—Notwithstanding section 504(a), the certification required by this section shall be made by the Commission on the basis of reports filed in accordance with the provisions of this Act, or on the basis of the Commission's own investigation or determination.

"(e) SHORTER PERIODS FOR REPORTS AND NOTICES DURING ELECTION WEEK.—Any report, determination, or notice required by reason of an event occurring during the 7-day period ending with the general election shall be made within 24 hours (rather than 2 business days) of the event.

"(f) COPIES OF REPORTS AND PUBLIC INSPECTION.—The Secretary of the Senate shall transmit a copy of any report or filing received under this section or under title V as soon as possible (but no later than 4 working hours of the Commission) after receipt of such report or filing, and shall make such report or filing available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such reports and filings in the same manner as the Commission under section 311(a)(5).

"(g) DEFINITIONS.—For purposes of this section, any term used in this section which is used in title V shall have the same meaning as when used in title V.".

SEC. 104. DISCLOSURE BY NONELIGIBLE CANDIDATES.

Section 318 of FECA (2 U.S.C. 441d), as amended by section 134, is amended by adding at the end thereof the following:

"(f) If a broadcast, cablecast, or other communication is paid for or authorized by a candidate in the general election for the office of United States Senator who is not an eligible Senate candidate, or the authorized committee of such candidate, such communication shall contain the following sentence: 'This candidate has not agreed to voluntary campaign spending limits.'.".

SEC. 105. EXCESS CAMPAIGN FUNDS OF SENATE CANDIDATES.

Section 313 of FECA (2 U.S.C. 439a) is amended—

(1) by inserting "(a) IN GENERAL.—" before "Amounts"; and

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

"(b) RETURN OF EXCESS CAMPAIGN FUNDS.—(1) Except as provided in paragraph (2), and notwithstanding subsection (a), if a candidate for the Senate has amounts in excess of amounts necessary to defray campaign expenditures for any election cycle, including any fines or penalties relating thereto, such candidate shall, not later than 1 year after the date of the general election for such cycle, expend such excess in the manner described in subsection (a) or transfer it to the Senate Election Campaign Fund established under section 510.

"(2) Paragraph (1) shall not apply to any amounts—

"(A) transferred to a legal and accounting compliance fund established under section 502(c); or

"(B) transferred for use in the next election cycle to the extent such amounts do not

exceed 20 percent of the sum of the primary election expenditure limit under section 501(d)(1)(A) and the general election expenditure limit under section 502(b) for the election cycle from which the amounts are being transferred.".

Subtitle B—General Provisions

SEC. 131. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) in paragraph (1)—

(A) by striking "forty-five" and inserting "30"; and

(B) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date"; and

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

"In the case of an eligible Senate candidate (as defined in section 301(19) of the Federal Election Campaign Act of 1971), the charges for the use of a television broadcasting station during the 60-day period referred to in paragraph (1) shall not exceed 50 percent of the lowest charge described in paragraph (1), except that this sentence shall not apply to broadcasts which are to be paid by vouchers which are received under section 503(c)(4) by reason of the independent expenditure amount.".

(b) PREEMPTION; ACCESS.—Section 315 of such Act (47 U.S.C. 315) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting immediately after subsection (b) the following new subsection:

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

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

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

(1) by striking "or repeated";

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

(3) by striking "his candidacy" and inserting "his or her candidacy, under the same terms, conditions, and business practices as apply to its most favored advertiser".

SEC. 132. EXTENSION OF REDUCED THIRD-CLASS MAILING RATES TO ELIGIBLE SENATE CANDIDATES.

Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)(A)—

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

(B) by striking "Committee;" and inserting "Committee, and, subject to paragraph (3), the principal campaign committee of an eligible Senate candidate;";

(2) in paragraph (2)(B), by striking "and" after the semicolon;

(3) in paragraph (2)(C), by striking the period and inserting "; and";

(4) by adding after paragraph (2)(C) the following new subparagraph:

"(D) the terms 'eligible Senate candidate' and 'principal campaign committee' have the meanings given those terms in section 301 of the Federal Election Campaign Act of 1971."; and

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

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to—

"(A) the general election period (as defined in section 301 of the Federal Election Campaign Act of 1971); and

"(B) that number of pieces of mail equal to the number of individuals in the voting age population (as certified under section 315(e) of such Act) of the State.".

SEC. 133. REPORTING REQUIREMENTS FOR CERTAIN INDEPENDENT EXPENDITURES.

(a) IN GENERAL.—Section 304 of FECA (2 U.S.C. 434) is amended by adding at the end the following new subsection:

"(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—(1) Any person making independent expenditures aggregating $1,000 or more after the 20th day, but more than 24 hours, before any election shall file a report of such expenditures within 24 hours after such expenditures are made.

"(2) Any person making independent expenditures aggregating $10,000 or more at any time up to and including the 20th day before any election shall file a report within 48 hours after such expenditures are made. An additional statement shall be filed each time independent expenditures aggregating $10,000 are made with respect to the same election as the initial statement filed under this section.

"(3) Any statement under this subsection shall be filed with the Secretary of the Senate or the Commission, and the Secretary of State of the State involved, as appropriate, and shall contain the information required by subsection (b)(6)(B)(iii) of this section, including whether the independent expenditure is in support of, or in opposition to, the candidate involved. The Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a statement transmit it to the Commission. Not later than 48 hours after the Commission receives a report, the Commission shall transmit a copy of the report to each candidate seeking nomination or election to that office.

"(4) For purposes of this subsection, an expenditure shall be treated as made when it is made or obligated to be made.

"(5)(A) If any person intends to make independent expenditures totaling $5,000 or more during the 20 days before an election, such person shall file a statement no later than the 20th day before the election.

"(B) Any statement under subparagraph (A) shall be filed with the Secretary of the Senate or the Commission, and the Secretary of State of the State involved, as appropriate, and shall identify each candidate whom the expenditure will support or oppose. The Secretary of the Senate shall as soon as possible (but not later than 4 working hours of the Commission) after receipt of a statement transmit it to the Commission. Not later than 48 hours after the Commission receives a statement under this paragraph, the Commission shall transmit a copy of the statement to each candidate identified.

"(6) The Commission may make its own determination that a person has made, or has incurred obligations to make, independent expenditures with respect to any Federal election which in the aggregate exceed the applicable amounts under paragraph (1) or (2). The Commission shall notify each candidate in such election of such determination within 24 hours of making it.

"(7) At the same time as a candidate is notified under paragraph (3), (5), or (6) with respect to expenditures during a general election period, the Commission shall certify eligibility to receive benefits under section 503(a).

"(8) The Secretary of the Senate shall make any statement received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such statements in the same manner as the Commission under section 311(a)(5).".

(b) CONFORMING AMENDMENT.—Section 304(c)(2) of FECA (2 U.S.C. 434(c)(2)) is amended by striking the undesignated matter after subparagraph (C).

SEC. 134. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of FECA (2 U.S.C. 441d) is amended—

(1) in the matter before paragraph (1) of subsection (a), by striking "Whenever" and inserting "Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever";

(2) in the matter before paragraph (1) of subsection (a), by striking "an expenditure" and inserting "a disbursement";

(3) in the matter before paragraph (1) of subsection (a), by striking "direct";

(4) in paragraph (3) of subsection (a), by inserting after "name" the following "and permanent street address"; and

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

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

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

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

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

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

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

"(A) states: 'I, (name of the candidate), am a candidate for (the office the candidate is seeking) and I have approved this message';

"(B) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

"(C) is accompanied by a clearly identifiable photographic or similar image of the candidate.

"(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement—

is responsible for the content of this advertisement.'

with the blank to be filled in with the name of the political committee or other person

paying for the communication and the name of any connected organization of the payor; and, if broadcast or cablecast by means of television, shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds.".

SEC. 135. DEFINITIONS.

(a) IN GENERAL.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraph (19) and inserting the following new paragraphs:

"(19) The term 'eligible Senate candidate' means a candidate who is certified under section 504 as eligible to receive benefits under title V.

"(20) The term 'general election' means any election which will directly result in the election of a person to a Federal office. Such term includes a primary election which may result in the election of a person to a Federal office.

"(21) The term 'general election period' means, with respect to any candidate, the period beginning on the day after the date of the primary or runoff election for the specific office the candidate is seeking, whichever is later, and ending on the earlier of—

"(A) the date of such general election; or

"(B) the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election.

"(22) The term 'immediate family' means—

"(A) a candidate's spouse;

"(B) a child, stepchild, parent, grandparent, brother, half-brother, sister or half-sister of the candidate or the candidate's spouse; and

"(C) the spouse of any person described in subparagraph (B).

"(23) The term 'major party' has the meaning given such term in section 9002(6) of the Internal Revenue Code of 1986, except that if a candidate qualified for the ballot in a general election in an open primary in which all the candidates for the office participated and which resulted in the candidate and at least one other candidate qualifying for the ballot in the general election, such candidate shall be treated as a candidate of a major party for purposes of title V.

"(24) The term 'primary election' means an election which may result in the selection of a candidate for the ballot in a general election for a Federal office.

"(25) The term 'primary election period' means, with respect to any candidate, the period beginning on the day following the date of the last election for the specific office the candidate is seeking and ending on the earlier of—

"(A) the date of the first primary election for that office following the last general election for that office; or

"(B) the date on which the candidate withdraws from the election or otherwise ceases actively to seek election.

"(26) The term 'runoff election' means an election held after a primary election which is prescribed by applicable State law as the means for deciding which candidate will be on the ballot in the general election for a Federal office.

"(27) The term 'runoff election period' means, with respect to any candidate, the period beginning on the day following the date of the last primary election for the specific office such candidate is seeking and ending on the date of the runoff election for such office.

"(28) The term 'voting age population' means the resident population, 18 years of age or older, as certified pursuant to section 315(e).

"(29) The term 'election cycle' means—

"(A) in the case of a candidate or the authorized committees of a candidate, the term beginning on the day after the date of the most recent general election for the specific office or seat which such candidate seeks and ending on the date of the next general election for such office or seat; or

"(B) for all other persons, the term beginning on the first day following the date of the last general election and ending on the date of the next general election.".

(b) IDENTIFICATION.—Section 301(13) of FECA (2 U.S.C. 431(13)) is amended by striking "mailing address" and inserting "permanent residence address".

SEC. 136. PROVISIONS RELATING TO FRANKED MASS MAILINGS.

Section 3210(a)(6)(C) of title 39, United States Code, is amended—

(1) by striking "if such mass mailing is postmarked fewer than 60 days immediately before the date" and inserting "if such mass mailing is postmarked during the calendar year"; and

(2) by inserting "or reelection" immediately before the period.

TITLE II—INDEPENDENT EXPENDITURES

SEC. 201. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

"(17)(A) The term 'independent expenditure' means an expenditure for an advertisement or other communication that—

"(i) contains express advocacy; and

"(ii) is made without the participation or cooperation of a candidate or a candidate's representative.

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

"(i) An expenditure made by a political committee of a political party.

"(ii) An expenditure made by a person who, during the election cycle, has communicated with or received information from a candidate or a representative of that candidate regarding activities that have the purpose of influencing that candidate's election to Federal office, where the expenditure is in support of that candidate or in opposition to another candidate for that office.

"(iii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.

"(iv) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

"(I) authorized to raise or expend funds on behalf of the candidate or the candidate's authorized committees; or

"(II) serving as a member, employee, or agent of the candidate's authorized committees in an executive or policymaking position.

"(v) An expenditure if the person making the expenditure has advised or counseled the candidate or the candidate's agents at any time on the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate's decision to seek Federal office.

"(vi) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing services in the same election cycle to the candidate in connection with the candidate's pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate's decision to seek Federal office.

"(vii) An expenditure if the person making the expenditure has consulted at any time during the calendar year in which the election is to be held about the candidate's plans, projects, or needs relating to the candidate's pursuit of nomination for election, or election, to Federal office, with—

"(I) any officer, director, employee or agent of a party committee that has made or intends to make expenditures or contributions, pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign; or

"(II) any person whose professional services have been retained by a political party committee that has made or intends to make expenditures or contributions pursuant to subsections (a), (d), or (h) of section 315 in connection with the candidate's campaign.

For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person, and the term 'professional services shall include any services (other than legal and accounting services for purposes of ensuring compliance with this Act) in support of any candidate's or candidates' pursuit of nomination for election, or election, to Federal office.

"(18) The term 'express advocacy' means, when a communication is taken as a whole and with limited reference to external events, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party, or a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity.".

(b) CONTRIBUTION DEFINITION AMENDMENT.—Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i), by striking "or" after the semicolon at the end;

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

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

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

SEC. 202. EQUAL BROADCAST TIME.

Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended to read as follows:

"(a)(1) If a licensee permits any person who is a legally qualified candidate for public office to use a broadcasting station other than any use required to be provided under paragraph (2), the licensee shall afford equal opportunities to all other such candidates for that office in the use of the broadcasting station.

"(2)(A) A person who reserves broadcast time the payment for which would constitute an independent expenditure within the meaning of section 301(17) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(17)) shall—

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

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

"(iii) provide the licensee a copy of the statement described in section 304(d) of the

Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)).

"(B) A licensee who is informed as described in subparagraph (A) shall—

"(i) if any of the candidates described in subparagraph (A)(ii) has provided the licensee the name and address of a person to whom notification under this subparagraph is to be given—

"(I) notify such person of the proposed making of the independent expenditure; and

"(II) allow any such candidate (other than a candidate for whose benefit the independent expenditure is made) to purchase the same amount of broadcast time immediately after the broadcast time paid for by the independent expenditure; and

"(ii) in the case of an opponent of a candidate for whose benefit the independent expenditure is made who certifies to the licensee that the opponent is eligible to have the cost of response broadcast time paid out of communication vouchers issued under section 503(a)(4) of the Federal Election Campaign Act of 1971, afford the opponent such broadcast time without requiring payment in advance and at the cost specified in subsection (b).

"(3) A licensee shall have no power of censorship over the material broadcast under this section.

"(4) Except as provided in paragraph (2), no obligation is imposed under this subsection upon any licensee to allow the use of its station by any candidate.

"(5)(A) Appearance by a legally qualified candidate on a—

"(i) bona fide newscast;

"(ii) bona fide news interview;

"(iii) bona fide news documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary); or

"(iv) on-the-spot coverage of bona fide news events (including political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection.

"(B) Nothing in subparagraph (A) shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from their obligation under this Act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

"(6)(A) A licensee that endorses a candidate for Federal office in an editorial shall, within the time stated in subparagraph (B), provide to all other candidates for election to the same office—

"(i) notice of the date and time of broadcast of the editorial;

"(ii) a taped or printed copy of the editorial; and

"(iii) a reasonable opportunity to broadcast a response using the licensee's facilities.

"(B) In the case of an editorial described in subparagraph (A) that—

"(i) is first broadcast 72 hours or more prior to the date of a primary, runoff, or general election, the notice and copy described in subparagraph (A) (i) and (ii) shall be provided not later than 24 hours after the time of the first broadcast of the editorial, and

"(ii) is first broadcast less than 72 hours before the date of an election, the notice and copy shall be provided at a time prior to the first broadcast that will be sufficient to enable candidates a reasonable opportunity to prepare and broadcast a response.".

TITLE III—EXPENDITURES

Subtitle A—Personal Loans; Credit

SEC. 301. PERSONAL CONTRIBUTIONS AND LOANS.

Section 315 of FECA (2 U.S.C. 441a) is amended by adding at the end the following new subsection:

"(j) LIMITATIONS ON PAYMENTS TO CANDIDATES.—(1) If a candidate or a member of the candidate's immediate family made any loans to the candidate or to the candidate's authorized committees during any election cycle, no contributions received after the date of the general election for such election cycle may be used to repay such loans.

"(2) No contribution by a candidate or member of the candidate's immediate family may be returned to the candidate or member other than as part of a pro rata distribution of excess contributions to all contributors.".

SEC. 302. EXTENSIONS OF CREDIT.

Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)), as amended by section 201(b), is amended—

(1) by striking "or" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; or"; and

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

"(iv) with respect to a candidate and the candidate's authorized committees, any extension of credit for goods or services relating to advertising on broadcasting stations, in newspapers or magazines, or by mailings, or relating to other similar types of general public political advertising, if such extension of credit is—

"(I) in an amount of more than $1,000; and

"(II) for a period greater than the period, not in excess of 60 days, for which credit is generally extended in the normal course of business after the date on which such goods or services are furnished or the date of a mailing.".

Subtitle B—Provisions Relating To Soft Money of Political Parties

SEC. 311. DEFINITIONS.

(a) CONTRIBUTION AND EXPENDITURE EXCEPTIONS.—(1) Clause (xii) of section 301(8)(B) of FECA (2 U.S.C. 431(8)(B)(xii)) is amended—

(A) by inserting "in connection with volunteer activities" after "such committee"; and

(B) by striking "and" at the end of subclause (2), by inserting "and" at the end of subclause (3), and by adding at the end the following new subclause:

"(4) such activities are conducted solely by, or any materials are distributed solely by, volunteers;".

(2) Clause (ix) of section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)(ix)) is amended—

(A) by inserting "in connection with volunteer activities" after "such committee", and

(B) by striking "and" at the end of subclause (2), by inserting "and" at the end of subclause (3), and by adding at the end the following new subclause:

"(4) any materials in connection with such activities are prepared for distribution (and are distributed) solely by volunteers;".

(b) GENERIC ACTIVITIES; STATE PARTY GRASSROOTS FUND.—Section 301 of FECA (2 U.S.C. 431), as amended by section 135, is amended by adding at the end thereof the following new paragraphs:

"(30) The term 'generic campaign activity' means a campaign activity that promotes a political party rather than any particular Federal or non-Federal candidate.

"(31) The term 'State Party Grassroots Fund' means a separate segregated fund established and maintained by a State committee of a political party solely for purposes of making expenditures and other disbursements described in section 324(d).".

SEC. 312. CONTRIBUTIONS TO POLITICAL PARTY COMMITTEES.

(a) INDIVIDUAL CONTRIBUTIONS TO STATE PARTY.—Paragraph (1) of section 315(a) of FECA (2 U.S.C. 441a(a)(1)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $20,000;

"(ii) any other political committee established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a person to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $20,000; or".

(b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS TO STATE PARTY.—Paragraph (2) of section 315(a) of FECA (2 U.S.C. 441a(a)(2)) is amended by striking "or" at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) to—

"(i) a State Party Grassroots Fund established and maintained by a State committee of a political party in any calendar year which, in the aggregate, exceed $15,000;

"(ii) to any other political committee established and maintained by a State committee of a political party which, in the aggregate, exceed $5,000,

except that the aggregate contributions described in this subparagraph which may be made by a multicandidate political committee to the State Party Grassroots Fund and all committees of a State Committee of a political party in any State in any calendar year shall not exceed $15,000; or".

(c) OVERALL LIMIT.—Paragraph (3) of section 315(a) of FECA (2 U.S.C. 441a(a)(3)) is amended to read as follows:

"(3)(A) No individual shall make contributions during any election cycle (as defined in section 301(29)(B)) which, in the aggregate, exceed $60,000.

"(B) No individual shall make contributions during any calendar year—

"(i) to all candidates and their authorized political committees which, in the aggregate, exceed $25,000; or

"(ii) to all political committees established and maintained by State committees of a political party which, in the aggregate, exceed $20,000.

"(C) For purposes of subparagraph (B)(i), any contribution made to a candidate or the candidate's authorized political committees in a year other than the calendar year in which the election is held with respect to which such contribution is made shall be treated as made during the calendar year in which the election is held.".

(d) PRESIDENTIAL CANDIDATE COMMITTEE TRANSFERS.—(1) Subparagraph (B) of section 315(b)(1) of FECA (2 U.S.C. 441a(b)(1)) is amended to read as follows:

"(B) in the case of a campaign for election to such office, an amount equal to the sum of—

"(i) $20,000,000, plus

"(ii) the lesser of—

"(I) 2 cents multiplied by the voting age population of the United States (as certified under subsection (e) of this section), or

"(II) the amounts transferred by the candidate and the authorized committees of the candidate to the national committee of the candidate's political party for distribution to State Party Grassroots Funds.".

(2) Subparagraph (A) of section 9002(11) of the Internal Revenue Code of 1986 (defining qualified campaign expense) is amended by striking "or" at the end of clause (ii), by inserting "or" at the end of clause (iii), and by inserting at the end the following new clause "(iv) any transfers to the national committee of the candidate's political party for distribution to State Party Grassroots Funds (as defined in section 301(31) of the Federal Election Campaign Act of 1971) to the extent such transfers do not exceed the amount determined under section 315(b)(1)(B)(ii) of such Act,".

SEC. 313. PROVISIONS RELATING TO NATIONAL, STATE, AND LOCAL PARTY COMMITTEES.

(a) SOFT MONEY OF COMMITTEES OF POLITICAL PARTIES.—Title III of FECA is amended by inserting after section 323 the following new section:

"POLITICAL PARTY COMMITTEES

"SEC. 324. (a) LIMITATIONS ON NATIONAL COMMITTEE.—(1) A national committee of a political party and the congressional campaign committees of a political party may not solicit or accept contributions or transfers not subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to contributions—

"(A) that—

"(i) are to be transferred to a State committee of a political party and are used solely for activities described in clauses (xi) through (xvii) of paragraph (9)(B) of section 301; or

"(ii) are described in section 301(8)(B)(viii); and

"(B) with respect to which contributors have been notified that the funds will be used solely for the purposes described in subparagraph (A).

"(b) ACTIVITIES SUBJECT TO THIS ACT.—Any amount solicited, received, expended, or disbursed directly or indirectly by a national, State, district, or local committee of a political party (including any subordinate committee) with respect to any of the following activities shall be subject to the limitations, prohibitions, and reporting requirements of this Act:

"(1)(A) Any get-out-the-vote activity conducted during a calendar year in which an election for the office of President is held.

"(B) Any other get-out-the-vote activity unless subsection (c)(2) applies to the activity.

"(2) Any generic campaign activity.

"(3) Any activity that identifies or promotes a Federal candidate, regardless of whether—

"(A) a State or local candidate is also identified or promoted; or

"(B) any portion of the funds disbursed constitutes a contribution or expenditure under this Act.

"(4) Voter registration.

"(5) Development and maintenance of voter files during an even-numbered calendar year.

"(6) Any other activity that—

"(A) significantly affects a Federal election, or

"(B) is not otherwise described in section 301(8)(B)(xvii).

Any amount spent to raise funds that are used, in whole or in part, in connection with activities described in the preceding paragraphs shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

"(c) GET-OUT-THE-VOTE ACTIVITIES BY STATE, DISTRICT, AND LOCAL COMMITTEES OF POLITICAL PARTIES.—(1) Except as provided in paragraph (2), any get-out-the-vote activity for a State or local candidate, or for a ballot measure, which is conducted by a State, district, or local committee of a political party (including any subordinate committee) shall be subject to the limitations, prohibitions, and reporting requirements of this Act.

"(2) Paragraph (1) shall not apply to any activity which the State committee of a political party certifies to the Commission is an activity which—

"(A) is conducted during a calendar year other than a calendar year in which an election for the office of President is held,

"(B) is exclusively on behalf of (and specifically identifies only) one or more State or local candidates or ballot measures, and

"(C) does not include any effort or means used to identify or turn out those identified to be supporters of any Federal candidate (including any activity that is undertaken in coordination with, or on behalf of, a candidate for Federal office).

"(d) STATE PARTY GRASSROOTS FUNDS.—(1) A State committee of a political party may make disbursements and expenditures from its State Party Grassroots Fund only for—

"(A) any generic campaign activity;

"(B) payments described in clauses (v), (x), and (xii) of paragraph (8)(B) and clauses (iv), (viii), and (ix) of paragraph (9)(B) of section 301;

"(C) subject to the limitations of section 315(d), payments described in clause (xii) of paragraph (8)(B), and clause (ix) of paragraph (9)(B), of section 301 on behalf of candidates other than for President and Vice President;

"(D) voter registration; and

"(E) development and maintenance of voter files during an even-numbered calendar year.

"(2) Notwithstanding section 315(a)(4), no funds may be transferred by a State committee of a political party from its State Party Grassroots Fund to any other State Party Grassroots Fund or to any other political committee, except a transfer may be made to a district or local committee of the same political party in the same State if such district or local committee—

"(A) has established a separate segregated fund for the purposes described in paragraph (1); and

"(B) uses the transferred funds solely for those purposes.

"(e) AMOUNTS RECEIVED BY GRASSROOTS FUND FROM STATE AND LOCAL CANDIDATE COMMITTEES.—(1) Any amount received by a State Party Grassroots Fund from a State or local candidate committee for expenditures described in subsection (b) that are for the benefit of that candidate shall be treated as meeting the requirements of subsection (b) and section 304(e) if—

"(A) such amount is derived from funds which meet the requirements of this Act with respect to any limitation or prohibition as to source or dollar amount specified in section 315(a) (1)(A) and (2)(A); and

"(B) the State or local candidate committee—

"(i) maintains, in the account from which payment is made, records of the sources and amounts of funds for purposes of determining whether such requirements are met; and

"(ii) certifies that such requirements were met.

"(2) For purposes of paragraph (1)(A), in determining whether the funds transferred meet the requirements of this Act described in such paragraph—

"(A) a State or local candidate committee's cash on hand shall be treated as consisting of the funds most recently received by the committee, and

"(B) the committee must be able to demonstrate that its cash on hand contains sufficient funds meeting such requirements as are necessary to cover the transferred funds.

"(3) Notwithstanding paragraph (1), any State Party Grassroots Fund receiving any transfer described in paragraph (1) from a State or local candidate committee shall be required to meet the reporting requirements of this Act, and shall submit to the Commission all certifications received, with respect to receipt of the transfer from such candidate committee.

"(4) For purposes of this subsection, a State or local candidate committee is a committee established, financed, maintained, or controlled by a candidate for other than Federal office.".

(b) CONTRIBUTIONS AND EXPENDITURES.—(1) Section 301(8)(B) of FECA (2 U.S.C. 431(8)(B)) is amended by striking "and" at the end of clause (xiii), by striking the period at the end of clause (xiv) and inserting a semicolon, and by adding at the end the following new clauses:

"(xv) any amount contributed to a candidate for other than Federal office;

"(xvi) any amount received or expended to pay the costs of a State or local political convention;

"(xvii) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1);

"(xviii) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

"(I) overhead, including party meetings;

"(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

"(III) conducting party elections or caucuses;

"(xix) any payment for research pertaining solely to State and local candidates and issues;

"(xx) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

"(xxi) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1).".

(2) Section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)) is amended by striking "and" at the end of clause (ix), by striking the period at the end of clause (x) and inserting a semicolon, and by adding at the end the following new clauses:

"(xi) any amount contributed to a candidate for other than Federal office;

"(xii) any amount received or expended to pay the costs of a State or local political convention;

"(xiii) any payment for campaign activities that are exclusively on behalf of (and specifically identify only) State or local candidates and do not identify any Federal candidate, and that are not activities described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1);

"(xiv) any payment for administrative expenses of a State or local committee of a political party, including expenses for—

"(I) overhead, including party meetings;

"(II) staff (other than individuals devoting a significant amount of their time to elections for Federal office and individuals engaged in conducting get-out-the-vote activities for a Federal election); and

"(III) conducting party elections or caucuses;

"(xv) any payment for research pertaining solely to State and local candidates and issues;

"(xvi) any payment for development and maintenance of voter files other than during the 1-year period ending on the date during an even-numbered calendar year on which regularly scheduled general elections for Federal office occur; and

"(xvii) any payment for any other activity which is solely for the purpose of influencing, and which solely affects, an election for non-Federal office and which is not an activity described in section 324(b) (without regard to paragraph (6)(B)) or section 324(c)(1).".

(c) LIMITATION APPLIED AT NATIONAL LEVEL.—Paragraph (3) of section 315(d) of FECA (2 U.S.C. 441a(d)(3)) is amended by adding at the end the following new sentence: "Notwithstanding the preceding sentence, the applicable congressional campaign committee of a political party shall make the expenditures described in this paragraph which are authorized to be made by a national or State committee with respect to a candidate in any State unless it allocates all or a portion of such expenditures to either or both of such committees.".

(d) LIMITATIONS APPLY FOR ENTIRE ELECTION CYCLE.—Section 315(d)(1) of FECA (2 U.S.C. 441a(d)(1)) is amended by adding at the end the following new sentence: "Each limitation under the following paragraphs shall apply to the entire election cycle for an office.".

SEC. 314. RESTRICTIONS ON FUNDRAISING BY CANDIDATES AND OFFICEHOLDERS.

(a) STATE FUNDRAISING ACTIVITIES.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 301, is amended by adding at the end thereof the following new subsection:

"(k) LIMITATIONS ON FUNDRAISING ACTIVITIES OF FEDERAL CANDIDATES AND OFFICEHOLDERS AND CERTAIN POLITICAL COMMITTEES.—(1) For purposes of this Act, a candidate for Federal office, an individual holding Federal office, or any agent of the candidate or individual may not solicit funds to, or receive funds on behalf of, any Federal or non-Federal candidate or political committee—

"(A) which are to be expended in connection with any election for Federal office unless such funds are subject to the limitations, prohibitions, and requirements of this Act; or

"(B) which are to be expended in connection with any election for other than Federal office unless such funds are not in excess of amounts permitted with respect to Federal candidates and political committees under subsections (a) (1) and (2), and are not from sources prohibited by such subsections with respect to elections to Federal office.

"(2)(A) The aggregate amount which a person described in subparagraph (B) may solicit from a multicandidate political committee for State committees described in subsection (a)(1)(C) (including subordinate committees) for any calendar year shall not exceed the dollar amount in effect under subsection (a)(2)(B) for the calendar year.

"(B) A person is described in this subparagraph if such person is a candidate for Federal office, an individual holding Federal office, an agent of such a candidate or individual, or any national, State, district, or local committee of a political party (including a subordinate committee) and any agent of such a committee.

"(3) The appearance or participation by a candidate for Federal office or individual holding Federal office in any fundraising event conducted by a committee of a political party or a candidate for other than Federal office shall not be treated as a solicitation for purposes of paragraph (1) if such candidate or individual does not solicit or receive, or make disbursements from, any funds resulting from such activity.

"(4) Paragraph (1) shall not apply to the solicitation or receipt of funds, or disbursements, by an individual who is a candidate for other than Federal office if such activity is permitted under State law.

"(5) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

"(A) holds a Federal office; or

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

(b) TAX-EXEMPT ORGANIZATIONS.—Section 315 of FECA (2 U.S.C. 441a), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

"(l) TAX-EXEMPT ORGANIZATIONS.—(1) If an individual is a candidate for, or holds, Federal office during any period, such individual may not during such period solicit contributions to, or on behalf of, any organization which is described in section 501(c) of the Internal Revenue Code of 1986 if a significant portion of the activities of such organization include voter registration or get-out-the-vote campaigns.

"(2) For purposes of this subsection, an individual shall be treated as holding Federal office if such individual—

"(A) holds a Federal office; or

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

SEC. 315. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of FECA (2 U.S.C. 434), as amended by section 133(a), is amended by adding at the end thereof the following new subsection:

"(e) POLITICAL COMMITTEES.—(1) The national committee of a political party and any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

"(2) A political committee (not described in paragraph (1)) to which section 324 applies shall report all receipts and disbursements including separate schedules for receipts and disbursements for State Grassroots Funds described in section 301(31).

"(3) Any political committee to which section 324 applies shall include in its report under paragraph (1) or (2) the amount of any transfer described in section 324(d)(2) and shall itemize such amounts to the extent required by section 304(b)(3)(A).

"(4) Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements which are used in connection with a Federal election.

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

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

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(8)) is amended by inserting at the end thereof the following:

"(C) The exclusion provided in clause (viii) of subparagraph (B) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions aggregating in excess of $200 shall be reported.".

(c) REPORTS BY STATE COMMITTEES.—Section 304 of FECA (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end thereof the following new subsection:

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

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Paragraph (4) of section 304(b) of FECA (2 U.S.C. 434(b)(4)) is amended by striking "and" at the end of subparagraph (H), by inserting "and" at the end of subparagraph (I), and by adding at the end the following new subparagraph:

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

(2) NAMES AND ADDRESSES.—Subparagraph (A) of section 304(b)(5) of FECA (2 U.S.C. 434(b)(5)(A)) is amended—

(A) by striking "within the calendar year", and

(B) by inserting ", and the election to which the operating expenditure relates" after "operating expenditure".

TITLE IV—CONTRIBUTIONS

SEC. 401. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS; PROHIBITION ON CERTAIN CONTRIBUTIONS BY LOBBYISTS.

(a) CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.—Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended to read as follows:

"(8) For the purposes of this subsection:

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

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

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

"(ii) the intermediary or conduit is—

"(I) a political committee;

"(II) an officer, employee, or agent of such a political committee;

"(III) a political party;

"(IV) a partnership or sole proprietorship;

"(V) a person who is required to register or to report its lobbying activities, or a lobbyist whose activities are required to be reported, under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267), the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), or any successor Federal law requiring a person who is a lobbyist or foreign agent to register or a person to report its lobbying activities; or

"(VI) an organization prohibited from making contributions under section 316, or an officer, employee, or agent of such an organization acting on the organization's behalf.

"(C)(i) The term 'intermediary or conduit' does not include—

"(I) a candidate or representative of a candidate receiving contributions to the candidate's principal campaign committee or authorized committee;

"(II) a professional fundraiser compensated for fundraising services at the usual and customary rate, but only if the individual is not described in subparagraph (B)(ii);

"(III) a volunteer hosting a fundraising event at the volunteer's home, in accordance with section 301(8)(B), but only if the individual is not described in subparagraph (B)(ii); or

"(IV) an individual who transmits a contribution from the individual's spouse.

"(ii) The term 'representative' means an individual who is expressly authorized by the candidate to engage in fundraising, and who occupies a significant position within the candidate's campaign organization, provided that the individual is not described in subparagraph (B)(ii).

"(iii) The term 'contributions made or arranged to be made' includes—

"(I) contributions delivered to a particular candidate or the candidate's authorized committee or agent; and

"(II) contributions directly or indirectly arranged to be made to a particular candidate or the candidate's authorized committee or agent, in a manner that identifies directly or indirectly to the candidate or authorized committee or agent the person who arranged the making of the contributions or the person on whose behalf such person was acting.

Such term does not include contributions made, or arranged to be made, by reason of an oral or written communication by a Federal candidate or officeholder expressly advocating the nomination for election, or election, of any other Federal candidate and encouraging the making of a contribution to such other candidate.

"(iv) The term 'acting on the organization's behalf' includes the following activities by an officer, employee or agent of a person described in subparagraph (B)(ii)(VI):

"(I) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate in the name of, or by using the name of, such a person.

"(II) Soliciting or directly or indirectly arranging the making of a contribution to a particular candidate using other than incidental resources of such a person.

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

"(D) Nothing in this paragraph shall prohibit—

"(i) bona fide joint fundraising efforts conducted solely for the purpose of sponsorship of a fundraising reception, dinner, or other similar event, in accordance with rules prescribed by the Commission, by—

"(I) 2 or more candidates;

"(II) 2 or more national, State, or local committees of a political party within the meaning of section 301(4) acting on their own behalf; or

"(III) a special committee formed by 2 or more candidates, or a candidate and a national, State, or local committee of a political party acting on their own behalf; or

"(ii) fundraising efforts for the benefit of a candidate that are conducted by another candidate.

When a contribution is made to a candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of the contribution to the Commission and to the intended recipient.".

(b) PROHIBITION ON CERTAIN CONTRIBUTIONS BY LOBBYISTS.—Section 315 of FECA (2 U.S.C. 441a), as amended by section 314(b), is amended by adding at the end the following new subsection:

"(m)(1) An individual who is described in section 315(a)(8)(B)(ii)(V) shall not make contributions to, or solicit contributions on behalf of—

"(A) any Member of Congress with respect to whom such individual has, during the preceding 12 months, either appeared before, or made a lobbying contact with, in such individual's representational capacity, or

"(B) any authorized committee of the President of the United States if, during the preceding 12 months, such individual has either appeared before, or made a lobbying contact with, a covered executive branch official.

"(2) An individual who is described in section 315(a)(8)(B)(ii)(V) who has made any contribution to, or solicited contributions on behalf of, any Member of Congress (or any authorized committee of the President of the United States) shall not, during the 12 months following such contribution or solicitation, either appear before, or make a lobbying contact with, such Member (or a covered executive branch official) in such individual's representational capacity.

"(3) For purposes of this subsection, the term 'covered executive branch official' means the President, Vice-President, any officer or employee of the executive office of the President other than a clerical or secretarial employee, any officer or employee serving in an Executive Level I, II, III, IV, or V position as designated in statute or Executive order, any officer or employee serving in a senior executive service position (as defined in section 3232(a)(2) of title 5, United States Code), any member of the uniformed services whose pay grade is at or in excess of 0-7 under section 201 of title 37, United States Code, and any officer or employee serving in a position of confidential or policy-determining character under schedule C of the excepted service pursuant to regulations implementing section 2103 of title 5, United States Code.".

SEC. 402. CONTRIBUTIONS BY DEPENDENTS NOT OF VOTING AGE.

Section 315 of FECA (2 U.S.C. 441a), as amended by section 401(b), is amended by adding at the end the following new subsection:

"(n) For purposes of this section, any contribution by an individual who—

"(1) is a dependent of another individual; and

"(2) has not, as of the time of such contribution, attained the legal age for voting for elections to Federal office in the State in which such individual resides,

shall be treated as having been made by such other individual. If such individual is the dependent of another individual and such other individual's spouse, the contribution shall be allocated among such individuals in the manner determined by them.".

SEC. 403. CONTRIBUTIONS TO CANDIDATES FROM STATE AND LOCAL COMMITTEES OF POLITICAL PARTIES TO BE AGGREGATED.

Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) Notwithstanding paragraph (5)(B), a candidate for Federal office may not accept, with respect to an election, any contribution from a State or local committee of a political party (including any subordinate committee of such committee), if such contribution, when added to the total of contributions previously accepted from all such committees of that political party, exceeds a limitation on contributions to a candidate under this section.".

SEC. 404. CONTRIBUTIONS AND EXPENDITURES USING MONEY SECURED BY PHYSICAL FORCE OR OTHER INTIMIDATION.

Title III of FECA, as amended by section 707, is amended by adding at the end the following new section:

"CONTRIBUTIONS AND EXPENDITURES USING MONEY SECURED BY PHYSICAL FORCE OR OTHER INTIMIDATION

"SEC. 326. It shall be unlawful for any person to—

"(1) cause another person to make a contribution or expenditure by using physical force, job discrimination, financial reprisals, or the threat of physical force, job discrimination, or financial reprisal; or

"(2) make a contribution or expenditure utilizing money or anything of value secured in the manner described in paragraph (1).".

SEC. 405. PROHIBITION OF ACCEPTANCE BY A CANDIDATE OF CASH CONTRIBUTIONS FROM ANY ONE PERSON AGGREGATING MORE THAN $100.

Section 321 of FECA (2 U.S.C. 441g) is amended by inserting ", and no candidate or authorized committee of a candidate shall accept from any one person," after "make".

TITLE V—REPORTING REQUIREMENTS

SEC. 501. CHANGE IN CERTAIN REPORTING FROM A CALENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.

Paragraphs (2) through (7) of section 304(b) of FECA (2 U.S.C. 434(b)(2)–(7)), as amended by section 315(d), are amended by inserting after "calendar year" each place it appears the following: "(election cycle, in the case of an authorized committee of a candidate for Federal office)".

SEC. 502. PERSONAL AND CONSULTING SERVICES.

(a) REPORTING BY POLITICAL COMMITTEES.—Section 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is amended by adding before the semicolon at the end the following: ", except that if a person to whom an expenditure is made is merely providing personal or consulting services and is in turn making expenditures to other persons (not including employees) who provide goods or services to

the candidate or his or her authorized committees, the name and address of such other person, together with the date, amount and purpose of such expenditure shall also be disclosed".

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

"(j) The person described in section 304(b)(5)(A) who is providing personal or consulting services and who is in turn making expenditures to other persons (not including employees) for goods or services provided to a candidate shall maintain records of and shall provide to a political committee the information necessary to enable the political committee to report the information described in section 304(b)(5)(A).".

SEC. 503. COMPUTERIZED INDICES OF CONTRIBUTIONS.

Section 311(a) of FECA (2 U.S.C. 438(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

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

"(11) maintain computerized indices of contributions of $200 or more.".

SEC. 504. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(g) of FECA (2 U.S.C. 432(g)) is amended by adding at the end the following new paragraph:

"(6)(A) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations under which persons required to file designations, statements, and reports under this Act—

"(i) are required to maintain and file them for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of $100,000 during the current calendar year, and

"(ii) may maintain and file them in that manner if not required to do so under clause (i).

"(B) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations which allow persons to file designations, statements, and reports required by this Act through the use of facsimile machines.

"(C) In prescribing regulations under this paragraph, the Commission shall provide methods (other than signing) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.

"(D) The Commission shall ensure that any computer (or other) system developed and maintained by the Commission to receive designations, statements, and reports in the forms required or permitted under this paragraph are compatible with the systems of the Secretary of the Senate and the Clerk of the House of Representatives.".

SEC. 505. POLITICAL COMMITTEES.

Section 303(b) of FECA (2 U.S.C. 433(b)) is amended—

(1) in paragraph (2), by inserting ", and if the organization or committee is incorporated, the State of incorporation" after "committee",

(2) by striking the "name and address of the treasurer" in paragraph (4) and inserting "the names and addresses of the officers", and

(3) by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting "; and", and by adding at the end the following new paragraph:

"(7) a statement of the purpose for which the political committee was formed.".

TITLE VI—FEDERAL ELECTION COMMISSION

SEC. 601. USE OF CANDIDATES' NAMES.

Section 302(e)(4) of FECA (2 U.S.C. 432(e)(4)) is amended to read as follows:

"(4)(A) The name of each authorized committee shall include the name of the candidate who authorized the committee under paragraph (1).

"(B) A political committee that is not an authorized committee shall not—

"(i) include the name of any candidate in its name, or

"(ii) except in the case of a national, State, or local party committee, use the name of any candidate in any activity on behalf of such committee in such a context as to suggest that the committee is an authorized committee of the candidate or that the use of the candidate's name has been authorized by the candidate.".

SEC. 602. REPORTING REQUIREMENTS.

(a) OPTION TO FILE MONTHLY REPORTS—Section 304(a)(2) of FECA (2 U.S.C. 434(a)(2)) is amended—

(1) in subparagraph (A) by striking "and" at the end;

(2) in subparagraph (B) by striking the period at the end and inserting "; and"; and

(3) by inserting the following new subparagraph at the end:

"(C) in lieu of the reports required by subparagraphs (A) and (B), the treasurer may file monthly reports in all calendar years, which shall be filed no later than the 15th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-primary election report and a pre-general election report shall be filed in accordance with subparagraph (A)(i), a post-general election report shall be filed in accordance with subparagraph (A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year.".

(b) FILING DATE.—(1) Section 304(a)(3) (A)(i) and (B)(i) of FECA (2 U.S.C. 434(a)(3) (A)(i) and (B)(i)) are amended by striking "20th" and inserting "15th".

(2) Section 304(a)(4) of FECA (2 U.S.C. 434(a)(4)) is amended—

(A) in subparagraph (A)(i) by inserting ", and except that if at any time during the election year a committee receives contributions in excess of $100,000 ($10,000 in the case of a multicandidate political committee), or makes disbursements in excess of $100,000 ($10,000 in the case of a multicandidate political committee), monthly reports on the 15th day of each month after the month in which that amount of contributions is first received or that amount of disbursements is first anticipated to be made during that year" before the semicolon; and

(B) in subparagraph (B) by striking "20th" and inserting "15th".

(c) INCOMPLETE OR FALSE CONTRIBUTOR INFORMATION.—Section 302(i) of FECA (2 U.S.C. 432(i)) is amended—

(1) by striking "submit" and inserting "report"; and

(2) by adding the following at the end: "In the case of a contribution required to be reported under section 304(b)(3)(A), the contribution shall not be used by the political committee to make an expenditure until the political committee has obtained all of the information that is required to be reported.".

(d) WAIVER.—Section 304 of FECA (2 U.S.C. 434), as amended by section 315(c), is amended by adding at the end the following new subsection:

"(g) WAIVER.—The Commission may relieve any category of political committees of the obligation to file 1 or more reports required by this section, or may change the due dates of such reports, if it determines that such action is consistent with the purposes of this Act. The Commission may waive requirements to file reports in accordance with this subsection through a rule of general applicability or, in a specific case, may waive or change the due date of a report by notifying all political committees affected.".

SEC. 603. PROVISIONS RELATING TO THE GENERAL COUNSEL OF THE COMMISSION.

(a) VACANCY IN THE OFFICE OF GENERAL COUNSEL.—Section 306(f) of FECA (2 U.S.C. 437c(f)) is amended by adding at the end the following new paragraph:

"(5) In the event of a vacancy in the office of general counsel, the next highest ranking enforcement official in the general counsel's office shall serve as acting general counsel with full powers of the general counsel until a successor is appointed.".

(b) PAY OF THE GENERAL COUNSEL.—Section 306(f)(1) of FECA (2 U.S.C. 437c(f)(1)) is amended—

(1) by inserting "and the general counsel" after "staff director" in the second sentence; and

(2) by striking the third sentence.

SEC. 604. ENFORCEMENT.

(a) IN GENERAL.—Section 309 of FECA (2 U.S.C. 437g) is amended—

(1) in subsection (a)—

(A) by amending paragraph (2) to read as follows:

"(2)(A)(i) If the Commission, upon receiving a complaint under paragraph (1) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, agrees, by an affirmative vote of 3 of its members, with the General Counsel's recommendation that facts have been alleged or ascertained that, if true, give reason to investigate whether a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1986 has occurred or is about to occur, the Commission shall, through its Chairman or Vice Chairman, notify the person of the alleged violation. The General Counsel may make an investigation of the alleged violation, which may include a field investigation or audit, in accordance with this section.

"(ii) If the General Counsel recommends that the Commission find no reason to believe an alleged violation has occurred and the Commission rejects that recommendation by an affirmative vote of 4 of its members, the Commission shall notify the person of the alleged violation and shall direct the General Counsel to make an investigation in accordance with clause (i).

"(B)(i) Notwithstanding section 307, in an investigation conducted under this section, the General Counsel shall have the powers provided in section 307(a) (2), (3), (4), and (5), including the power to issue subpoenas signed by the General Counsel.

"(ii) A person to whom a subpoena is directed by the General Counsel may file a motion to quash or modify the subpoena with the Commission prior to the time specified therein for compliance, but in no case more than 5 days after receipt of such subpoena. The Commission may determine, on an affirmative vote of 4 of its members, to quash or modify the subpoena at issue.";

(B) by adding at the end of paragraph (4)(A) the following new clauses:

"(iii) In a case initiated by a complaint under paragraph (1), if the General Counsel recommends that the Commission find probable cause to believe that a person has committed, or is about to commit, a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986, and the Commission fails to sustain or reject the General Counsel's recommendation, or any portion thereof, by an affirmative vote of 4 of its members, the complainant may bring a civil action in any district court of the United States described in paragraph (6)(A) in the name of the complainant to remedy the violation alleged in the complaint on which the Commission failed to achieve 4 votes.

"(iv) In a civil action brought by a complainant under subparagraph (iii), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty that does not exceed the maximum amount permitted under paragraph (6)(B). A prevailing complainant shall be awarded an amount deemed appropriate by the court, but in no case more than 10 percent of the proceeds, which shall be paid out of the proceeds. The complainant shall also be awarded an amount for reasonable expenses that the court finds to have been necessarily incurred, plus reasonable attorneys' fees, and costs. All such expenses, fees and costs shall be awarded against the defendant."; and

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

"(14) Nothing in this subsection shall be construed to limit the ability of the Commission to determine at any time to take no further action in a proceeding under this subsection."; and

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

"(e)(1) A complaint filed under subsection (a)(1) shall be, to the best of the signer's knowledge, information, and belief (formed after reasonable inquiry), well grounded in fact and warranted by a Commission regulation or decisional precedent or a good faith argument for the extension, modification, or reversal of existing law, and shall not be interposed for any improper purpose, such as to harass or to cause any unnecessary delay or needless increase in the cost of litigation.

"(2) If the Commission determines, on its own motion or on the basis of a complaint, that a complaint fails to meet the requirements of paragraph (1), it may proceed against the complainant in accordance with this section. In such a case, a conciliation agreement entered into by the Commission under paragraph (4)(A) may include a requirement that a party to the conciliation agreement pay a civil penalty not to exceed $20,000.".

(b) AUTHORITY TO SEEK INJUNCTION.—(1) Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended by adding at the end the following new paragraph:

"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

"(i) there is a substantial likelihood that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986 is occurring or is about to occur;

"(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

"(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

"(iv) the public interest would be best served by the issuance of an injunction,

the Commission may initiate a civil action for a temporary restraining order or a temporary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

"(B)(i) If the complaint in a proceeding was filed within 60 days immediately preceding a general election, the Commission may take action described in this subparagraph.

"(ii) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to it, that there is clear and convincing evidence that a violation of this Act or of chapter 95 or 96 of the Internal Revenue Code of 1986 has occurred, is occurring, or is about to occur and it appears that the requirements for relief stated in subparagraph (A) (ii), (iii), and (iv) are met, the Commission may—

"(I) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(II) if the Commission determines that there is insufficient time to conduct proceedings before the election, immediately seek relief under subparagraph (A).

"(iii) If the Commission determines, on the basis of facts alleged in the complaint and other facts available to it, that the complaint is clearly without merit, the Commission may—

"(I) order expedited proceedings, shortening the time periods for proceedings under paragraphs (1), (2), (3), and (4) as necessary to allow the matter to be resolved in sufficient time before the election to avoid harm or prejudice to the interests of the parties; or

"(II) if the Commission determines that there is insufficient time to conduct proceedings before the election, summarily dismiss the complaint.

"(C) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found or in which the violation is occurring, has occurred, or is about to occur.".

(2) Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended—

(A) in paragraph (7) by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

(B) in paragraph (11) by striking "(6)" and inserting "(6) or (13)".

(c) REFERRAL OF APPARENT VIOLATIONS TO THE ATTORNEY GENERAL.—Section 309(a)(5)(C) of FECA (2 U.S.C. 437g(a)(5)(C)) is amended by adding the following at the end: "The preceding sentence shall not be construed to detract from the general authority of the Commission under section 307(a)(9) to refer an apparent violation of law, including a violation of this Act, to the Attorney General at any time without making a finding of probable cause.".

(d) FAILURE TO PRESENT MATTER BEFORE THE COMMISSION.—Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) In a proceeding before a district court or court of appeals in which there is under review a decision of the Commission made in a proceeding under this section, the court shall not consider an argument, objection, issue, or other matter that was not presented to the Commission, but if the court finds that there was good cause for the failure to present the matter to the Commission, the court may remand the proceeding to the Commission for consideration of the matter.".

(e) REPRESENTATION OF THE COMMISSION IN COURT.—Section 306(f)(4) of FECA (2 U.S.C. 437c(f)(4)) is amended by adding at the end thereof the following: "The Commission may appear and submit briefs as amicus curiae in a proceeding a decision in which may affect the administration of this Act even though the proceeding may not arise under this Act or require interpretation or application of this Act. In any proceeding in which the Commission appears under authority of this paragraph or section 309, the Commission and its attorneys may be required to comply with local court rules, except that the Commission shall not be required to appear by local counsel.".

SEC. 605. PENALTIES.

(a) PENALTIES PRESCRIBED IN CONCILIATION AGREEMENTS.—(1) Section 309(a)(5)(A) of FECA (2 U.S.C. 437g(a)(5)(A)) is amended by striking "which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation." and inserting "which—

"(i) is not less than 50 percent of all contributions and expenditures involved in the violation (or such lesser amount as the Commission provides if necessary to ensure that the penalty is not unjustly disproportionate to the violation); and

"(ii) does not exceed the greater of $5,000 or all contributions and expenditures involved in the violation.".

(2) Section 309(a)(5)(B) of FECA (2 U.S.C. 437g(a)(5)(B)) is amended by striking "which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation." and inserting "which—

"(i) is not less than all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $10,000 or 150 percent of all contributions and expenditures involved in the violation.".

(b) PENALTIES WHEN VIOLATIONS ARE ADJUDICATED IN COURT.—(1) Section 309(a)(6)(A) of FECA (2 U.S.C. 437g(a)(6)(A)) is amended by striking all that follows "appropriate order" and inserting ", including an order for a civil penalty in the amount determined under subparagraph (B) or (C) in the district court of the United States for the district in which the defendant resides, transacts business, or may be found or in which the violation occurred.".

(2) Section 309(a)(6)(B) of FECA (2 U.S.C. 437g(a)(6)(B)) is amended by striking all that follows "other order" and inserting ", including an order for a civil penalty which—

"(i) is not less than all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $10,000 or 200 percent of all contributions and expenditures involved in the violation,

upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a permanent or temporary injunction or a restraining order), a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1986.".

(3) Section 309(a)(6)(C) of FECA (29 U.S.C. 437g(6)(C)) is amended by striking "a civil penalty" and all that follows and inserting "a civil penalty which—

"(i) is not less than 200 percent of all contributions and expenditures involved in the violation; and

"(ii) does not exceed the greater of $20,000 or 250 percent of all contributions and expenditures involved in the violation.".

SEC. 606. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended—

(1) by inserting "(1)" before "The Commission"; and

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

"(2) Notwithstanding paragraph (1), the Commission may from time to time conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process. This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986 or to an authorized committee of an eligible Senate candidate subject to audit under section 505(a).".

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended by striking "6 months" and inserting "12 months".

SEC. 607. PROHIBITION OF FALSE REPRESENTATION TO SOLICIT CONTRIBUTIONS.

Section 322 of FECA (2 U.S.C. 441h) is amended—

(1) by inserting after "SEC. 322." the following: "(a)"; and

(2) by adding at the end the following:

"(b) No person shall solicit contributions by falsely representing himself as a candidate or as a representative of a candidate, a political committee, or a political party.".

SEC. 608. REGULATIONS RELATING TO USE OF NON-FEDERAL MONEY.

Section 306 of FECA (2 U.S.C. 437c) is amended by adding at the end the following new subsection:

"(g) The Commission shall promulgate regulations to prohibit devices or arrangements which have the purpose or effect of undermining or evading the provisions of this Act restricting the use of non-Federal money to affect Federal elections.".

SEC. 609. SIMULTANEOUS REGISTRATION OF CANDIDATE AND CANDIDATE'S PRINCIPAL CAMPAIGN COMMITTEE.

Section 303(a) of FECA (2 U.S.C. 433(a)) is amended in the first sentence by striking "no later than 10 days after designation" and inserting "on the date of its designation".

SEC. 610. REIMBURSEMENT FUND.

Section 311 of FECA (2 U.S.C. 438) is amended by adding at the end thereof the following new subsection:

"(g)(1) There is established in the Treasury of the United States a Federal Election Commission Reimbursement fund (referred to in this subsection as the "fund").

"(2) There shall be credited to the fund an amount equal to—

"(A) the expenses of the Commission incurred in preparing copies of documents, publications, computer tapes, and other forms of records sold to the public;

"(B) the expenses of the Commission incurred in responding to requests for records under section 552 of title 5, United States Code; and

"(C) costs awarded to the Commission in litigation.

"(3) Amounts credited to the fund shall be available without fiscal year limitation to the Commission, in addition to amounts otherwise appropriated to the Commission, for the purpose of paying the expenses of the Commission in providing records to the public as described in subparagraphs (A) and (B) and in providing at no charge to the public informational publications designed to assist candidates, political committees, and other persons in complying with this Act.".

SEC. 611. INSOLVENT POLITICAL COMMITTEES.

Section 303(d) of FECA (2 U.S.C. 433(d)) is amended by adding at the end the following new paragraph:

"(3) Proceedings by the Commission under paragraph (2) constitute the sole means, to the exclusion of proceedings under title 11, United States Code, by which a political committee that is determined by the Commission to be insolvent may compromise its debts, liquidate its assets, and terminate its existence.".

TITLE VII—MISCELLANEOUS

SEC. 701. PROHIBITION OF LEADERSHIP COMMITTEES.

Section 302(e) of FECA (2 U.S.C. 432(e)) is amended—

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

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

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, but only if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee."; and

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

"(6)(A) A candidate for Federal office or any individual holding Federal office may not establish, finance, maintain, or control any Federal or non-Federal political committee other than a principal campaign committee of the candidate, authorized committee, party committee, or other political committee designated in accordance with paragraph (3). A candidate for more than one Federal office may designate a separate principal campaign committee for each Federal office. This paragraph shall not preclude a Federal officeholder who is a candidate for State or local office from establishing, financing, maintaining, or controlling a political committee for election of the individual to such State or local office.

"(B) For one year after the effective date of this paragraph, any political committee established before such date but which is prohibited under subparagraph (A) may continue to make contributions. At the end of that period such political committee shall disburse all funds by one or more of the following means: making contributions to an entity qualified under section 501(c)(3) of the Internal Revenue Code of 1986; making a contribution to the treasury of the United States; contributing to the national, State or local committees of a political party; or making contributions not to exceed $1,000 to candidates for elective office.".

SEC. 702. POLLING DATA CONTRIBUTED TO CANDIDATES.

Section 301(8) of FECA (2 U.S.C. 431(8)), as amended by section 315(b), is amended by inserting at the end the following new subparagraph:

"(D) A contribution of polling data to a candidate shall be valued at the usual and normal charge for the data on the date the poll was completed, depreciated at a rate not more than 1 percent per day from such date to the date on which the contribution was made.".

SEC. 703. DEBATES BY GENERAL ELECTION CANDIDATES WHO RECEIVE AMOUNTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

Section 315(b) of FECA (2 U.S.C. 441a(b)) is amended by adding at the end the following new paragraph:

"(3)(A) The candidates of a political party for the offices of President and Vice President who are receiving payments under section 9003 of the Internal Revenue Code of 1986 from the Secretary of the Treasury shall refund such payments unless both of such candidates agree in writing—

"(i) that the candidate for the office of President will participate in at least 3 debates, sponsored by a nonpartisan or bipartisan organization, with all other candidates for that office who are receiving payments under that section; and

"(ii) that the candidate of the party for the office of Vice President will participate in at least 1 debate, sponsored by a nonpartisan or bipartisan organization, with all other candidates for that office who are receiving payments under that section.

"(B) If the Commission determines that either of the candidates of a political party failed to participate in a debate under subparagraph (A) and was responsible at least in part for such failure, the candidate of the party involved shall—

"(i) not receive payments under section 9006 of the Internal Revenue Code of 1986; and

"(ii) pay to the Secretary of the Treasury an amount equal to the amount of the payments made to the candidate under that section.".

SEC. 704. TELEPHONE VOTING BY PERSONS WITH DISABILITIES.

(a) STUDY OF SYSTEMS TO PERMIT PERSONS WITH DISABILITIES TO VOTE BY TELEPHONE.—

(1) IN GENERAL.—The Federal Election Commission shall conduct a study to determine the feasibility of developing a system or systems by which persons with disabilities may be permitted to vote by telephone.

(2) CONSULTATION.—The Federal Election Commission shall conduct the study described in paragraph (1) in consultation with State and local election officials, representatives of the telecommunications industry, representatives of persons with disabilities, and other concerned members of the public.

(3) CRITERIA.—The system or systems developed pursuant to paragraph (1) shall—

(A) propose a description of the kinds of disabilities that impose such difficulty in travel to polling places that a person with a disability who may desire to vote is discouraged from undertaking such travel;

(B) propose procedures to identify persons who are so disabled; and

(C) describe procedures and equipment that may be used to ensure that—

(i) only those persons who are entitled to use the system are permitted to use it;

(ii) the votes of persons who use the system are recorded accurately and remain secret;

(iii) the system minimizes the possibility of vote fraud; and

(iv) the system minimizes the financial costs that State and local governments would incur in establishing and operating the system.

(4) REQUESTS FOR PROPOSALS.—In developing a system described in paragraph (1), the

Federal Election Commission may request proposals from private contractors for the design of procedures and equipment to be used in the system.

(5) PHYSICAL ACCESS.—Nothing in this section is intended to supersede or supplant efforts by State and local governments to make polling places physically accessible to persons with disabilities.

(6) DEADLINE.—The Federal Election Commission shall submit to Congress the study required by this section not later than 1 year after the effective date of this Act.

SEC. 705. PROVISIONS RELATING TO PRESIDENTIAL PRIMARY ELECTIONS.

(a) LIMITATION ON PRESIDENTIAL PRIMARY EXPENDITURES.—Section 315(b)(1)(A) of FECA (2 U.S.C. 441a(b)(1)(A)) is amended to read as follows:

"(A) $12,000,000, in the case of a campaign for nomination for election to such office; or".

(b) MINIMUM CONTRIBUTIONS.—Section 9033(b)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking "$5,000" and inserting "$15,000"; and

(2) by striking "20 States" and inserting "26 States".

(c) CONFORMING AMENDMENT.—Clause (vi) of section 301(9)(B) of FECA (2 U.S.C. 431(9)(B)(vi)) is hereby repealed.

SEC. 706. CERTAIN TAX-EXEMPT ORGANIZATIONS NOT SUBJECT TO CORPORATE LIMITS.

Section 316 of FECA (2 U.S.C. 441b) is amended by adding at the end the following new subsection:

"(c) PROHIBITIONS NOT TO APPLY TO INDEPENDENT EXPENDITURES OF CERTAIN TAX-EXEMPT ORGANIZATIONS.—(1) Nothing in this section shall preclude a qualified nonprofit corporation from making independent expenditures (as defined in section 301(17)).

"(2) For purposes of this subsection, the term 'qualified nonprofit corporation' means a corporation exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 which is described in section 501(c)(4) of such Code and which meets the following requirements:

"(A) Its only express purpose is the promotion of political ideas.

"(B) It cannot and does not engage in any activities that constitute a trade or business.

"(C) Its gross receipts for the calendar year have not (and will not) exceed $100,000, and the net value of its total assets at any time during the calendar year do not exceed $250,000.

"(D) It was not established by a person described in section 501(c)(6) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of such Code, a corporation engaged in carrying out a trade or business, or a labor organization, and it cannot and does not directly or indirectly accept donations of anything of value from any such person, corporation, or labor organization.

"(E) It—

"(i) has no shareholder or other person affiliated with it that could make a claim on its assets or earnings, and

"(ii) offers no incentives or disincentives for associating or not associating with it other than on the basis of its position on any political issue.

"(3) If a major purpose of a qualified nonprofit corporation is the making of independent expenditures, and the requirements of section 301(4) are met with respect to the corporation, the corporation shall be treated as a political committee.

"(4) All solicitations by a qualified nonprofit corporation shall include a notice informing contributors that donations may be used by the corporation to make independent expenditures.

"(5) A qualified nonprofit corporation shall file reports as required by section 304 (c) and (d).

SEC. 707. AIDING AND ABETTING VIOLATIONS OF FECA.

Title III of FECA, as amended by section 313, is amended by adding at the end the following new section:

"AIDING AND ABETTING VIOLATIONS

"SEC. 325. With reference to any provision of this Act that places a requirement or prohibition on any person acting in a particular capacity, any person who knowingly aids or abets the person in that capacity in violating that provision may be proceeded against as a principal in the violation.".

SEC. 708. DEPOSIT OF REPAYMENTS OF EXCESS PAYMENTS FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

Subsection (d) of section 9007 of the Internal Revenue Code of 1986 (relating to examinations, audits, and repayments) is amended to read as follows:

"(d) DEPOSIT OF REPAYMENTS.—All payments received by the Secretary under this section shall be deposited in the fund.".

SEC. 709. DISQUALIFICATION FROM RECEIVING PUBLIC FUNDING FOR PRESIDENTIAL ELECTION CAMPAIGNS.

(a) GENERAL ELECTION.—Section 9003 of the Internal Revenue Code of 1986 (relating to condition for eligibility to receive payments) is amended by adding at the end the following new subsection:

"(e) DISQUALIFICATION.—A person who has been convicted of a violation of this chapter or chapter 96 shall be ineligible to receive benefits under this chapter on and after the date of the conviction.".

(b) PRIMARY ELECTION.—Section 9033 of the Internal Revenue Code of 1986 (relating to condition for eligibility to receive payments) is amended by adding at the end the following new subsection:

"(d) DISQUALIFICATION.—A person who has been convicted of a violation of this chapter or chapter 95 shall be ineligible to receive benefits under this chapter on and after the date of the conviction.".

SEC. 710. PROHIBITION OF CONTRIBUTIONS TO PRESIDENTIAL CANDIDATES WHO RECEIVE PUBLIC FUNDING IN THE GENERAL ELECTION CAMPAIGN.

Section 315 of FECA (2 U.S.C. 441a), as amended by section 402, is amended by adding at the end the following new subsection:

"(o) Except to the extent permitted under sections 9003 (b)(2) and (c)(2) of the Internal Revenue Code of 1986, no person shall make a contribution to a candidate who has become eligible to receive benefits under chapter 95 of such Code by making a certification described in section 9003 (b) and (c) of such Code.".

TITLE VIII—EFFECTIVE DATES; AUTHORIZATIONS

SEC. 801. EFFECTIVE DATE.

Except as otherwise provided in this Act, the amendments made by, and the provisions of, this Act shall take effect on the date of the enactment of this Act but shall not apply with respect to activities in connection with any election occurring before January 1, 1995.

SEC. 802. BUDGET NEUTRALITY.

(a) DELAYED EFFECTIVENESS.—The provisions of this Act (other than this section) shall not be effective until the Director of the Office of Management and Budget certifies that the estimated costs under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 have been offset by the enactment of legislation effectuating this Act.

(b) FUNDING.—Legislation effectuating this Act shall not provide for general revenue increases, reduce expenditures for any existing Federal program, or increase the Federal budget deficit, but shall provide that the legislation be funded by imposing a Federal income tax at the top corporate rate on political committees of candidates who do not abide by the Federal campaign spending limits.

SEC. 803. SEVERABILITY.

Except as provided in section 101(c), if any provision of this Act (including any amendment made by this Act), or the application of any such provision to any person or circumstance, is held invalid, the validity of any other provision of this Act, or the application of such provision to other persons and circumstances, shall not be affected thereby.

SEC. 804. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any final judgment, decree, or order issued by any court finding any provision of this Act, or amendment made by this Act, to be unconstitutional.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 805. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out the provisions of this Act within 9 months after the effective date of this Act.

CONRAD AMENDMENTS NOS. 432–433

(Ordered to lie on the table.)

Mr. CONRAD submitted two amendments intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

AMENDMENT NO. 432

On page 97, between lines 6 and 7, insert the following:

"(V) a small donor political club that accepts contributions only from individuals who make contributions to the club that do not exceed $200 in the aggregate during a calendar year from any single individual."

AMENDMENT NO. 433

On page 39, strike line 8 and insert the following:

"ing a calendar year; and

"(D) a small donor political club that accepts contributions only from individuals who make contributions to the club that do not exceed $200 in the aggregate during a calendar year from any single individual.".

CHAFEE AMENDMENT NO. 434

(Ordered to lie on the table.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

Strike section 101(c) of the amendment.

Strike section 803 of the amendment and insert the following:

SEC. 803. SEVERABILITY.

If any provision of (including an amendment made by) this Act or the application of any provision to any person or circumstance is held invalid, only that provision (and any provision the operation of which depends upon the effectiveness of that provision) shall be declared to be invalid, and the validity of the remaining provisions of this Act and of the application of that provision to other persons and circumstances shall not be affected.

CHAFEE (AND OTHERS) AMENDMENT NO. 435

(Ordered to lie on the table.)

Mr. CHAFEE (for himself, Mr. DURENBERGER, and Mr. MCCAIN) submitted an amendment intended to be proposed by them to the amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

At the appropriate place insert the following: "No Member of Congress may send an unsolicited mass mailing under the franking privilege during the calendar year of his or her election.".

BROWN AMENDMENT NO. 436

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

On page 94, between lines 14 and 15, insert:

Subtitle C—Reporting of Soft Money

SEC. 321. REPORTING OF SOFT MONEY.

Section 304 of FECA (2 U.S.C. 434), as amended by section 602(d), is amended by adding at the end thereof the following new subsection:

"(h) REPORTING OF SOFT MONEY.—(1)(A) Any person who makes any solicitation, receipt, expenditure, or disbursement with respect to any activity described in section 324(b) which does not meet the limitations, prohibitions, and reporting requirements of this Act shall report such activity of the Commission.

"(B) Subparagraph (A) shall not apply with respect to any activity which is otherwise required to be reported under this Act.

"(2) Any statement under this section shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, and the Secretary of State of the State involved, as appropriate, and shall contain such information as the Commission shall prescribe, including whether the disbursement is in support of, or in opposition to, 1 or more candidates or any political party. The Secretary of the Senate or Clerk of the House of Representatives shall, as soon as possible (but not later than 24 hours after receipt), transmit a statement to the Commission and the Commission shall, not later than 48 hours after receipt, transmit it to the candidates or political parties involved.

"(3) Nothing in this subsection shall be construed as authorizing a person to conduct any activity which it is prohibited from conducting without regard to this subsection.".

COHEN AMENDMENTS NOS. 437–439

(Ordered to lie on the table.)

Mr. COHEN submitted three amendments intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

AMENDMENT NO. 437

At the appropriate place insert the following:

SEC. .

Title III of FECA (2 U.S.C. 301 et seq.), as amended by section ——, is amended by adding at the end the following new section:

"OUT-OF-STATE CONTRIBUTIONS

"SEC. . (a) CONTRIBUTION LIMIT.—The aggregate amount of funds that may be accepted during an election cycle by a candidate for the Senate or House of Representatives or the candidate's authorized committees from individuals, separate segregated funds, and multicandidate political committees that do not reside or have their headquarters within the candidate's State shall not exceed 30 percent of the total amount of contributions accepted by the candidate and the candidate's authorized committees.

"(b) EXPENDITURES FROM PERSONAL FUNDS OF A CANDIDATE IN EXCESS OF $25,000.—Notwithstanding any other law, in an election in which the aggregate amount of expenditures made by an eligible Senate candidate or an opponent of an eligible Senate candidate and the candidate's authorized committees using funds derived from sources described in section 502(a)(2) exceeds $25,000—

"(1) any restriction on the amount of contributions that a candidate may accept from out-of-State sources under any provision of law shall not apply to the opponents of that candidate;

"(2) the limitation on the amount of contributions that an individual may make to each of the opponents of that candidate under section 315(a)(1) shall be increased to $10,000; and

"(3) expenditures using funds derived from contributions received by virtue of paragraphs (1) and (2) shall not be counted for the purposes of the general election expenditure limit under section 502(b).".

AMENDMENT NO. 438

At the appropriate place insert the following:

SEC. .

Title III of FECA (2 U.S.C. 301 et seq.), as amended by section , is amended by adding at the end the following new section:

"OUT-OF-STATE CONTRIBUTIONS

"SEC. . (a) CONTRIBUTION LIMIT.—The aggregate amount of funds that may be accepted during an election cycle by a candidate for the Senate or House of Representatives or the candidate's authorized committees from individuals, separate segregated funds, and multicandidate political committees that do not reside or have their headquarters within the candidate's State shall not exceed 40 percent of the total of amount of contributions accepted by the candidate and the candidate's authorized committees.

"(b) EXPENDITURES FROM PERSONAL FUNDS OF A CANDIDATE IN EXCESS OF $25,000.—Notwithstanding any other law, in an election in which the aggregate amount of expenditures made by an eligible Senate candidate or an opponent of an eligible Senate candidate and the candidate's authorized committees using funds derived from sources described in section 502(a)(2) exceeds $25,000—

"(1) any restriction on the amount of contributions that a candidate may accept from out-of-State sources under any provision of law shall not apply to the opponents of that candidate;

"(2) the limitation on the amount of contributions that an individual may make to each of the opponents of that candidate under section 315(a)(1) shall be increased to $10,000; and

"(3) expenditures using funds derived from contributions received by virtue of paragraphs (1) and (2) shall not be counted for the purposes of the general election expenditure limit under section 502(b).".

AMENDMENT NO. 439

At the appropriate place insert the following:

SEC. . MODIFICATION OF LIMIT ON CONTRIBUTIONS BY INDIVIDUALS.

(a) INCREASE IN CANDIDATE LIMIT.—Section 315(a)(1)(A) of FECA (2 U.S.C. 441a(a)(1)(A)(A)) is amended by striking "$1,000" and inserting "the applicable amount".

(b) DEFINITION.—Section 315(a) of FECA (2 U.S.C. 441a(a)), as amended by section , is amended by adding at the end the following new paragraph:

"( ) For purposes of subsection (a)(1)(A)—

"(A) The term 'applicable amount' means—

"(i) $1,000 in the case of contributions by a person to—

"(I) a candidate for the office of President or Vice President or the candidate's authorized committees; or

"(II) any other candidate or the candidate's authorized committees if, on the date on which the contributions are made, the person who makes the contributions is a resident of the candidate's State; and

"(ii) $500 in the case of contributions to a candidate described in clause (i)(II) or the candidate's authorized committees if, on the date on which the contributions are made, the person who makes the contributions is not a resident of the candidate's State.

"(B) At the beginning of 199 , and each odd-numbered calendar year thereafter, the Secretary of Labor shall certify in the same manner as under subsection (c)(1) the percentage difference between the price index for the preceding calendar year and the price index for calendar year 199 . Each of the dollar limits under subparagraph (A) shall be increased by that amount of percentage difference, rounded to the nearest $100. Each amount so increased shall be the amount in effect for the calendar year for which it is determined and the succeeding calendar year.".

DURENBERGER AMENDMENT NO. 440

(Ordered to lie on the table.)

Mr. DURENBERGER submitted an amendment intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

On page 7, strike lines 8 and 9.

On page 10, strike lines 2 through 5, and insert: "in an amount at least equal to 2.5 percent of the general election expenditure limit under section 502(b)."

On page 17, beginning with line 17, strike all through page 22, line 9, and insert:

"(b) WAIVER OF EXPENDITURE AND CONTRIBUTION LIMITS.—(1) If an eligible Senate candidate has an opponent in the general election who receives contributions, or makes (or obligates to make) expenditures, for such election in excess of the general election expenditure limit under section

502(b), the general election expenditure limit under section 502(b) for the eligible Senate candidate shall be increased by the sum of—

"(A) one-third of such limit when the excess is less than one-third of such limit, plus

"(B) one-third of such limit when the excess is at least one-third but less than two-thirds of such limit, plus

"(C) one-third of such limit when the excess is at least two-thirds but less than 100 percent of such limit, plus

"(D) 100 percent of such limit when the excess is at least 100 percent of such limit."

On page 22, line 10, strike "(3)" and insert "(2)".

On page 22, line 23, strike "100" and insert "200".

On page 23, strike lines 1 through 19.

On page 24, strike lines 3 through 20.

On page 26, strike lines 3 through 14, and redesignate accordingly.

On page 28, strike lines 10 through 19, and redesignate accordingly.

On page 31, strike lines 11 and 12.

On page 32, beginning with line 15, strike all through page 36, line 7.

On page 51, strike lines 11 through 19, and insert: "In the case of an eligible Senate candidate (as defined in section 301(19) of the Federal Election Campaign Act of 1971), the charges for the use of a television broadcasting station during the 30-day and 60-day periods referred to in paragraph (1) shall not exceed 50 percent of the lowest charge described in paragraph (1), except that this sentence shall not apply to any broadcast which is not at least 60 seconds in length. The preceding sentence shall not apply with respect to any election if no other candidate has qualified for the same election ballot under the law of the State involved."

On page 53, beginning with line 20 strike all through page 54, line 4, and insert:

"(3) The rate under this subsection with respect to an eligible Senate candidate shall apply during an election cycle only to that number of pieces of mail equal to the number of individuals in the voting age population (as certified under section 315(e) of the Federal Election Campaign Act of 1971) of the State."

On page 136, strike lines 11 through 24, and insert:

SEC. . LEGISLATION NOT TO TAKE EFFECT UNTIL TAX ON CAMPAIGNS EXCEEDING SPENDING LIMITS.

The provisions of this Act (other than this section) shall not be effective until the Secretary of the Treasury certifies that Federal legislation has been enacted with—

(1) imposes a 25-percent gross receipts tax on authorized committees of candidates for Federal office,

(2) provides an exemption from such tax for committees of a candidate who complies with any applicable Federal campaign spending limit, and

(3) makes a candidate jointly and severally liable for such tax if the candidate exceeds the limit by more than 5 percent.

JEFFORDS AMENDMENT NOS. 441–443

(Ordered to lie on the table.)

Mr. JEFFORDS submitted three amendments intended to be proposed by him to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

AMENDMENT NO. 441

On page 94, between lines 14 and 15, insert:

Subtitle C—Soft Money of Persons Other Than Political Parties

SEC. 321. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.

Section 304 of FECA (2 U.S.C. 434), as amended by section 602(d), is amended by adding at the end thereof the following new subsection:

"(h) ELECTION ACTIVITY OF PERSONS OTHER THAN POLITICAL PARTIES.—(1)(A) If any person to which section 324 does not apply makes (or obligates to make) disbursements for activities described in section 324(b) in excess of $5,000, such person shall file a statement on or before the day which is 14 days before the disbursements are made. An additional statement shall be filed each time additional disbursements aggregating $5,000 are made (or obligated to be made) by such person.

"(B) This paragraph shall not apply to—

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

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

"(2) Any statement under this section shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, and the Secretary of State of the State involved, as appropriate, and shall contain such information as the Commission shall prescribe, including whether the disbursement is in support of, or in opposition to, 1 or more candidates or any political party. The Secretary of the Senate or Clerk of the House of Representatives shall, as soon as possible (but not later than 24 hours after receipt), transmit a statement to the Commission and the Commission shall, not later than 48 hours after receipt, transmit it to the candidates or political parties involved.

"(3) The Commission may make its own determination that disbursements described in paragraph (1) have been made or obligated to be made. The Commission shall notify the candidates or political parties involved within 24 hours of its determination."

AMENDMENT NO. 442

On page 19, strike line 21.

On page 20, strike lines 4 through 12.

On page 23, between lines 19 and 20, insert:

"(f) TRANSFERS OR EXPENDITURES RELATING TO INDEPENDENT EXPENDITURES.—If independent expenditures are made, or obligated to be made, during the general election period by 1 or more persons in opposition to, or on behalf of an opponent of, an eligible Senate candidate which are required to be reported by such persons under section 304 with respect to the general election period and are certified by the Commission under section 304(d)(7), a national committee of the political party of such eligible Senate candidate may make expenditures on behalf of, and make contributions to, such candidate in an amount which, in the aggregate, does not exceed the amount so certified. The contributions and expenditures described in the preceding sentence shall not be taken into account for purposes of the contribution and spending limits applicable to the eligible Senate candidate under this title."

On page 88, between lines 13 and 14, insert:

(e) NATIONAL LIMIT NOT TO APPLY TO RESPONSE FUNDS TO INDEPENDENT EXPENDITURES.—Paragraph (3) of section 315(d) of FECA (2 U.S.C. 441a(d)(3)), as amended by subsection (c), is amended by adding at the end the following new sentence: "The limitation under this paragraph with respect to any eligible Senate candidate shall be increased by the amount of contributions and expenditures a national committee of a political party may make under section 503(f).".

AMENDMENT NO. 443

On page 76, line 8, after the period insert; "For purposes of this paragraph, there shall not be taken into account contributions described in paragraph (1)(B) to the extent they do not exceed $25,000 during a calendar year."

On page 78, between lines 2 and 3, insert:

(e) CONTRIBUTIONS TO NATIONAL POLITICAL PARTIES.—Paragraph (1)(B) of section 315(a) of FECA (2 U.S.C. 441a(a)(1)(B)) is amended by striking "$20,000" and inserting "$45,000".

WELLSTONE AMENDMENT NO. 444

Mr. WELLSTONE proposed an amendment to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

At the appropriate place insert the following:

SEC. . REDUCTION OF CONTRIBUTION LIMIT.

Section 315(a)(1)(A) of FECA (2 U.S.C. 441a(a)(1)(A)) is amended by striking "$1,000" and inserting "$500".

SHELBY (AND OTHERS) AMENDMENT NO. 445

(Ordered to lie on the table.)

Mr. SHELBY (for himself, Mr. MCCONNELL, Mr. NICKLES, and Mr. PRESSLER) submitted an amendment to amendment No. 366 (in the nature of a substitute) to the bill, S. 3, supra, as follows:

On page 4, strike line 4 and all that follows through page 37, line 5, and insert the following:

Subtitle A—Restrictions on Activities of Political Action and Candidate Committees

On page 37, line 9, strike "102." and insert "101.".

On page 40, line 18, add "and" after the semicolon.

On page 41, strike line 1 and all that follows through page 42, line 9.

On page 43, strike line 16 and all that follows through page 50, line 20.

On page 50, strike line 23 and all that follows through page 51, line 19, and insert the following:

(a) BROADCAST RATES.—Section 315(b)(1) of the Communications Act of 1934 (47 U.S.C. 315(b)(1)) is amended—

(1) by striking "forty-five" and inserting "30"; and

(2) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date".

On page 52, strike line 22 and all that follows through page 54, line 4.

On page 54, line 5, strike "133." and insert "132.".

On page 57, line 1, strike "134." and insert "133.".

On page 59, line 14, strike "135." and insert "134."

On page 59, strike lines 18 through 20.

On page 59, line 21, strike "(20)" and insert "(19)".

On page 60, line 1, strike "(21)" and insert "(20)".

On page 60, line 10, strike "(22)" and insert "(21)".

On page 60, strike lines 17 through 25.

On page 61, line 1, strike "(24)" and insert "(22)".

On page 61, line 4, strike "(25)" and insert "(23)".

On page 61, line 14, strike "(26)" and insert "(24)".

On page 61, line 19, strike "(27)" and insert "(25)".

On page 62, line 1, strike "(28)" and insert "(26)".

On page 62, line 4, strike "(29)" and insert "(27)".

On page 62, line 18, strike "136." and insert "135.".

On page 68, strike line 7 and all that follows through page 69, line 4, and insert the following:

"(B) A licensee who is informed as described in subparagraph (A) shall, if any of the candidates described in subparagraph (A)(ii) has provided the licensee the name and address of a person to whom notification under this subparagraph is to be given—

"(i) notify such person of the proposed making of the independent expenditure; and

"(ii) allow any such candidate (other than a candidate for whose benefit the independent expenditure is made) to purchase the same amount of broadcast time immediately after the broadcast time paid for by the independent expenditure."

On page 69, strike lines 7 through 9.

On page 69, line 10, strike "(5)(A)" and insert "(4)(A)".

On page 70, line 5, strike "(6)(A)" and insert "(5)(A)".

On page 73, line 23, strike "(30)" and insert "(28)".

On page 74, line 3, strike "(31)" and insert "(29)".

On page 76, line 7, strike "301(29)(B)" and insert "301(27)(B)".

On page 77, line 24, strike "301(31)" and insert "301(29)".

On page 92, line 7, strike "301(31)" and insert "301(29)".

On page 122, line 25, through page 123, line 2, strike "or to an authorized committee of an eligible Senate candidate subject to audit under section 505(a)".

On page 136, strike lines 11 through 24.

On page 137, line 1, strike "803." and insert "802."

On page 137, line 2, strike "Except as provided in sections 101(c) and 121(b), if" and insert "If".

On page 137, line 9, strike "804." and insert "803.".

On page 137, line 20, strike "805." and insert "804.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL RESEARCH, CONSERVATION, FORESTRY AND GENERAL LEGISLATION

Mr. LEAHY. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry Subcommittee on Agricultural Research, Conservation, Forestry and General Legislation will hold a hearing on the administration's below-cost timber sale policy. The hearing will be held on Thursday, June 24, 1993, at 1:30 p.m. in SR-332. Senator TOM DASCHLE will preside.

For further information, please contact Eric Washburn at 224-2321.

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. BUMPERS. Mr. President, I would like to announce that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The hearing will take place on Thursday, June 24, 1993, beginning at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 208, a bill to reform the concessions policies of the National Park Service, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit a written statement is welcome to do so by sending two copies to the Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact David Brooks of the subcommittee staff at (202) 224-9863.

COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Committee on Indian Affairs will be holding an oversight hearing on Friday, June 11, 1993, beginning at 2 p.m., in 485 Russell Senate Office Building on the President's budget request for Indian programs for fiscal year 1994 for the Bureau of Indian Affairs.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, June 10, 1993, at 2 p.m., in executive session, to consider and act on the committee's recommendation for the reconciliation bill.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 10 at 10 a.m., to hold a brief business meeting.

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

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, June 10, 1993, at 10:15 a.m.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a reconvening of June 9th's executive session to consider budget reconciliation recommendations, during the session of the Senate on Thursday, June 10, at 9 a.m., in SD-430.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 10 at 2 p.m., to receive a closed briefing on the North American Free-Trade Agreement.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a markup on Veterans' Affairs reconciliation legislation. The markup will be held in room 418 of the Russell Senate Office Building at 10 a.m., on Thursday, June 10, 1993.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Thursday, June 10, at 9:30 a.m., for a hearing on the subject: Evaluation of the Triad.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 10, at 10:30 a.m., to hold hearings on treaty doc. 103-1, the State II Treaty.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. FORD. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, June 10, beginning at 9:30 a.m., to hold a business meeting to consider reconciliation matters.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, June 10, 1993, at 2:30 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON SUPERFUND, RECYCLING AND SOLID WASTE MANAGEMENT

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee

on Superfund, Recycling and Solid Waste Management, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Thursday, June 10, beginning at 10 a.m., to conduct a hearing on the contract and fiscal management of the Superfund Program by the Environmental Protection Agency.

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

SUBCOMMITTEE ON FORCE REQUIREMENTS AND PERSONNEL

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Force Requirements and Personnel of the Committee on Armed Services be authorized to meet on Thursday, June 10, 1993, at 9 a.m., in open session, to receive testimony on the National Guard and Reserve personnel and force structure programs of the military services associated with the Defense authorization request for fiscal year 1994 and the Future Years Defense Program.

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

SUBCOMMITTEE ON NUCLEAR DETERRENCE, ARMS CONTROL AND DEFENSE INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Deterrence, Arms Control and Defense Intelligence of the Committee on Armed Services be authorized to meet on Thursday, June 10, 1993, at 9 a.m., in open and closed sessions, to receive testimony on Department of Energy national security programs in review of the Defense authorization request for fiscal year 1994 and the Future Years Defense Program.

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

ADDITIONAL STATEMENTS

THE PRESIDENT'S TAX PACKAGE

• Mr. MACK. Mr. President, in recent days, Treasury Secretary Bentsen repeated a common claim of the Clinton administration that the President's tax package will be good for the economy because it will keep interest rates on a downward path.

The Secretary said, and I am paraphrasing here, that if the President's plan failed we would have an immediate uptick in interest rates. He said we would have the serious danger of dropping back into a recession and the loss of jobs.

In other words, the Clinton administration is saying that the President's plan, which will impose the largest tax increase in American history, will spur economic growth.

When Americans hear this kind of tortured logic, they shake their heads in disbelief. How in the world can the Clinton people think that a whopping tax increase is good for the economy?

This odd point of view—that high taxes and a strong economy go hand in hand—is ridiculed by working Americans who have to pay the taxes. But it is also questioned by many economists who note that there is no economic theory that suggests a country can tax its way to prosperity. Here is what a small sample of them have to say:

Allan Meltzer of Carnegie Mellon University: He would "flunk an economics student" who maintained that lower interest rates could overcome reduced demand, from higher taxes, in the economy.

Dallas Batten of Citicorp: "It defies economic theory to say that a secondary effect like interest rates could overcome the primary effect of reduced demand, from higher taxes."

Lacy Hunt of HSBC Economics in New York:

> The advocates of [the President's] bill have threatened that interest rates would rise if the bill is not passed, although the contrary is more likely to be the case. Interest rates at the end of this year could well be lower if nothing were done, despite the early recession implied by a record tax increase, because the long-term effect will be a rise in the supply of Federal debt.
>
> Instead of being called the deficit reduction act, this legislation should be termed the early-recession act, since its passage will lead to an earlier downturn that would otherwise have been the case. An induced recession will greatly reduce Federal tax revenues despite the increase in tax rates, a lesson learned regionally in California and nationally after the disastrous tax hike of 1990.
>
> This so-called deficit-reduction legislation is a highly flawed approach to economic management. Growth will be curtailed, the standard of living will drop, and the deficit will continue to grow. Gridlock would be a far more preferable alternative.

I imagine I speak for many on my side when I say that I am genuinely concerned about what Clintonomics will do to the United States. It makes me even more nervous to hear the same message from those in other countries who are observing the meltdown in the Clinton administration.

But it makes me absolutely petrified for the future of the United States to hear criticism of the Clinton program from people in formerly socialist countries. Sweden is currently abandoning its version of Clintonomics—the so-called Swedish model—and quickly moving to cut taxes and government spending, and reduce the immense burden of the government on the lives of Swedish citizens. Ian Wachtmeister, who heads Sweden's New Democracy Party, issued a pointed warning to President Clinton recently. He said, "[The Swedes] are moving away from the welfare state. On your side, you are moving into it, and you risk destroying your country."•

FACES OF THE HEALTH CARE CRISIS IN MICHIGAN—RETIREE HEALTH CARE

• Mr. RIEGLE. Mr. President, I rise today in my continuing effort to put a face on the health care crisis in my home State of Michigan. I want to tell the story of Robert Fox of Ludington, MI, a 61-year-old retiree who recently wrote to me about the escalating costs of his health insurance premiums. Like many retirees under the age of 65, Mr. Fox is struggling because he must pay for his own health insurance until he is eligible for Medicare. The increasing cost of his health insurance premiums has caused him and his wife to seriously consider dropping their coverage.

Robert Fox worked for CSX Railroad for over 40 years before retiring in 1990. The railroad's policy is to pay the health insurance premiums for its employees and for retirees who retire when they are 62 years old or older. The company stops paying the premiums when the individual turns 65 and is eligible for Medicare.

However Robert suffers from emphysema and had to retire early because of poor health. Because of his early retirement, he must pay for his own health insurance for 4 years, until he reaches age 65, when he will be eligible for Medicare.

When Robert retired in 1990, he had to pay $330 a month for coverage for himself and his wife, Jean. Each year, the cost has steadily increased, to the point where it has become unaffordable on their fixed income. This year, the cost of their premium rose once more to $420 per month. The cost of the Foxes' health insurance premium is rising faster than their retirement income.

The Foxes' insurance policy covers hospitalization and physician services. It has a $100 yearly deductible and a 20-percent copayment. The policy does not cover prescription drugs so the Foxes pay $48.50 each month for prescriptions for Robert's emphysema and for Jean's epilepsy. Robert looked into changing health insurance policies, but because of their preexisting health conditions, they are considered uninsurable by many insurance companies.

Robert and his wife are seriously considering dropping their health insurance because they are not sure they can afford the cost. In the letter Robert sent to me last month, he told me, "I have decided to become one of the Nation's uninsured. I would much prefer to die in dignity, than to bleed to death in poverty by a hungry insurance company."

Robert calculated that if he and his wife were to drop their insurance, he could save over $15,000 by the time he reached 65. Our senior citizens should not be forced to take this kind of risk.

Workers who retire before they are eligible for Medicare need the security that comes with health care coverage. Companies around the Nation are cutting back on health insurance coverage for retired employees because of the high cost. Even when companies like CSX Railroad pay for coverage for re-

tirees, individuals like Robert Fox can fall through the cracks.

I will continue to work for national health care reform to control the escalating costs of health care and to provide retirees with the peace of mind they deserve.●

DALE COUNTY RETIRED SENIOR VOLUNTEER PROGRAM [RSVP]

● Mr. SHELBY. Mr. President, I would like to pay tribute to the Dale County Retired Senior Volunteer Program [RSVP] which is celebrating its 20th year of service this June.

The Dale County RSVP has truly answered the Nation's call to service. RSVP members volunteer at various community facilities such as elementary and secondary schools, aviation and technical colleges, nursing homes and hospitals, libraries, senior centers, volunteer fire departments and volunteer rescue units, youth homes, bloodmobiles, and more. The RSVP volunteers are a varied and dedicated group of individuals who assist persons in time of need or reach out to help a child find and develop his or her potential.

In addition to regimented schedules with specific organizations, other services are provided year round. A sick or homebound person was able to enjoy a special holiday because of the care and charity of an RSVP volunteer who prepared him or her a meal.

Youth homes have been made brighter by the special touches volunteers give and the holiday parties that the volunteers host for these adolescents are always exciting and fun filled. Because a retired art teacher took the time to help a boy from one of the youth homes develop his talent, he won the Best of Show in the local Dale County art exhibition.

The program and its volunteers have received numerous honors and awards. Among them have been the Governor's Volunteer of the Year Award as well as twice receiving first runner-up for this award. Also, RSVP has received the Senior Citizen's Hall of Fame Award.

Volunteers have fun while continuing to learn and grow as individuals. Since 1973, Dale County RSVP has been a family of caring, sharing, and loving members.

I salute the Dale County Retired Senior Volunteer Program on their 20th anniversary. It is their continued hard work and dedication to the community that serves as a role model to Dale County, the State of Alabama, and our entire Nation. Thank you, volunteers.●

TRIBUTE TO ST. CLAIRE MEDICAL CENTER

● Mr. MCCONNELL. Mr. President, I rise today to congratulate one of Kentucky's outstanding organizations, whose contributions to the Commonwealth are extraordinary.

The St. Claire Medical Center, located in Morehead, KY, has provided rural health care for northeastern Kentucky for the last 30 years. This exemplary institution is guided by the leadership of the Sisters of Notre Dame, especially the president/CEO Sister Mary Jeannette. Recently, this organization received the National Rural Health Associations Award for Outstanding Rural Practice. The award recognizes a community-oriented rural health care delivery practice which has improved health care access for rural citizens through innovative, comprehensive approaches.

St. Claire Medical Center opened its doors in June 1963, bringing the dream of a hospital to serve numerous counties in northeastern Kentucky. The original facility had 41 acute beds but has grown to a 170-bed complex following two major renovations. St. Claire recognized the need to serve outlying areas of the State with health care. In 1971, St. Claire started a home health program. St. Claire also began opening primary care clinics in the early 1970's which provided physician services for outlying areas. Today, there are four primary care clinics that serve more than 40,000 patients per year.

St. Claire provides health care delivery for over 150,000 people in 11 counties. St. Claire is located in a low-income region of Kentucky and provides as large a proportion of unreimbursed care as any private institution in the State. The philosophy of the institution has always been to provide to all in need, regardless of ability to pay. It is particularly noteworthy that this has been accomplished without operating cost assistance from either the State or the Federal Government.

I congratulate St. Claire Medical Center for receiving the National Rural Health Association Award for Outstanding Rural Practice. I believe the St. Claire Medical Center offers valuable lessons to the Nation as a model of excellent care delivered in a self-reliant and cost-effective manner.●

WHY REICH IS WRONG ABOUT JOBS

● Mr. BURNS. Mr. President, I would like to call to the attention of the Senate an article written by our former colleague from Wisconsin Senator Bob Kasten entitled "Why Reich Is Wrong About Jobs." It was printed in the Washington Times this past Tuesday.

In this article, Senator Kasten argues that the key to creating new jobs is to lighten the tax and regulatory load on America's small businesses—not increase taxes, spending, and regulation as President Clinton and Labor Secretary Robert Reich are poised to do. Small businesses are discouraged from hiring more workers because of rules and red tape burdens imposed on them by Washington. These burdens have raised their cost of doing business. In order to get the job-creating machine moving into high gear, we need to remove burdensome tax and regulatory barriers so that the small, individually-owned business can become a double or triple digit employer.

As a former small businessman and the former ranking member of the Senate Small Business Committee, Senator Kasten knows small business. He wrote this article in his new capacity as chairman of the Center on Regulation and Economic Growth, which is a new research center of the Alexis de Tocqueville Institution. I ask that the article be entered into the RECORD following my remarks.

The article follows:

[From the Washington Times, June 8, 1993]

WHY REICH IS WRONG ABOUT JOBS

(By Robert Kasten, Jr.)

Labor Secretary Robert Reich is right about the problems facing the American worker, but he is wrong about how to go about solving them. Yes, we are experiencing a "jobless recovery," with rates of job creation lagging stubbornly behind those of past upturns.

Yes, we ought to be concerned about the trend toward hiring contingent or temporary workers instead of permanent workers. Yes, in an increasingly borderless world where financial and investment capital flows almost instantaneously, America must put a premium on the development of human capital.

However, raising taxes on labor and capital to fund billions of dollars on public works, job retraining and universal health insurance programs won't work. The reason America isn't creating and upgrading jobs is because government-imposed costs on America's job creators in the private sector have made job creation unaffordable.

Basic economics tells us regulation and taxes create a wedge between what it costs a business to employ a worker and the net benefit the worker receives. Any increase in this wedge raises the businesses' cost of hiring new workers and reduces the net wages that workers receive. The growth of federal and state regulations, mandates and taxes in recent years has dramatically increased labor and capital costs for U.S. businesses, particularly for smaller firms with fewer than 100 workers, that create the overwhelming majority of new jobs.

According to a recent study by the Republican staff of the Joint Economic Committee, legislation passed by Congress in recent years including the Minimum Wage increases in 1989, the Clean Air Act of 1990, the Americans With Disabilities Act (ADA) of 1990 and the Civil Rights Act of 1991 have imposed $130 billion in additional costs on U.S. businesses. And this figure doesn't reflect the increased costs of potential litigation from these new laws.

Add to this the increased income and payroll taxes enacted in 1990, it is no wonder that 2.2 million private sector jobs were lost from 1990 to 1992. With the cost per worker rising, businesses simply cannot hire and retain full-time permanent workers and at the same time stay in business. Instead of hiring that 25th or 30th full-time employee, businesses are resorting to temporary workers and/or automation. In 1988, temporary or contingent workers made up about one-fourth of the labor force. If current trends continue, they will be half of the work force by the year 2000.

This trend toward temporary employment is disturbing for several reasons. One, people aren't on the job long enough to learn basic skills and build adequate pensions. Two, people tend to lose their sense of self-worth and pride in their work if they are constantly changing jobs. Finally, as Mr. Reich puts it. "As the contingent work force grows—as many people find themselves working part time for many different employers—the social contract is beginning to fray."

Mr. Reich and other advocates for public sector activism blame capitalism for deconstructing the permanent work force—and argue that a healthy dose of government is necessary to reverse this trend. But the problem is that we have two much government—and not enough capitalism. Misguided government policies have artificially raised the cost of labor. Moreover, American workers are losing the global competition for jobs as businesses and capital rush to economies with lower labor costs and more favorable tax and regulatory regimes.

The policy agenda of President Clinton and Democrats in Congress threatens to accelerate the jobs problem. The new mandated family leave law provides incentives for businesses to hire temporary workers once they reach the 50 worker threshold where the mandate kicks in. Of all taxpayers that will be hit by Mr. Clinton's increase in the top tax rate from 31 percent to 40 percent, 52 percent are small unincorporated businesses. And now the administration is contemplating a new 7 percent to 10 percent payroll tax on employers to finance more extensive health benefits.

In my view, any effort to truly create jobs should focus on regulatory and tax changes that make it more easier for an individually owned small business to become a double or triple digit employer.

Provide small businesses that employ no more than 100 workers temporary relief from two of the most costly pieces of regulatory legislation—the Clean Air Act and the ADA. ADA will apply to businesses with 15 or more workers and Clean Air will impact the relevant businesses regardless of size. These laws only started to take effect in 1992; some of their more costly requirements are scheduled to take effect in 1994. Those compliance dates should be delayed for two more years to give small businesses a chance to adjust to the added costs.

Repeal the 1990 payroll tax increase. The payroll tax is a direct tax on the employment, particularly on entry-level, low skilled jobs. The Congress has wisely scrapped the Clinton administration's miserly investment tax credit: a payroll tax cut would be the ideal substitute.

Cut the capital gains tax. Since the 1986 Tax Reform Act raised capital gains taxes, the rate of business formations have declined from 703,000 in 1986 to only 628,000 in 1991. Lower rates would increase rewards to risking-taking and entrepreneurship, resulting in a flood on new capital for small and expanding businesses. And more capital means more jobs.

Cut tax rates on the poor and the inner cities. Mr. Clinton's enterprise zone proposal is a pale imitation of Jack Kemp's original idea. It's light on the capital incentives needed to create more employers, and it lacks the tax incentives to encourage the poor to move from welfare to work.

As a former small businessman, I know most businesses would prefer to have full-time workers; job security, company loyalty, and a stable work force help a businesses' bottom line. Lowering tax and regulatory burdens would halt the tread toward shedding permanent jobs. Raising taxes to spend on more government programs and re-regulating the economy, as Mr. Clinton and Mr. Reich are poised to do, would make the "jobless recovery" permanent.●

KIDSTAR 1250 AM RADIO

● Mr. GORTON. Mr. President, on Saturday, May 15, 1993, KidStar 1250 AM radio premiered as Washington State's only commercial children's radio station. Broadcast throughout the Puget Sound region, KidStar radio is committed to providing "a wholesome, engaging entertainment choice for children, one that celebrates all that is creative curious, and imaginative in kids. * * *" Through the commitment and endless efforts of hundreds of individuals, kids throughout Puget Sound now have a radio station to call their own.

Already, kids from Seattle to Everett to Tacoma are tuning their radio to KidStar 1250 AM. Thousands of calls have flooded the special KidStar PhoneZones as kids of all ages phone in to voice their opinion, talk to one of the many radio personalities, share jokes with other KidStar listeners or simply get information on local community events. The response has been overwhelming and the excitement continues to grow as more young people realize the value of this unique program.

An extensive and innovative programming format, KidStar radio combines education with entertainment. Through PhoneZones, radio personalities and a quarterly publication, kids now have a creative and enlightening alternative to television. Issues ranging from nutrition to the environment are just a few of the many topics KidStar listeners will have the opportunity to learn about.

Mr. President, not only does KidStar radio enable our children to learn more about the issues which impact their daily life, but it provides them with the opportunity to voice their concerns on topics they feel are important. Registering their opinion, calling in to share their feelings on an issue, and sharing their thoughts with their peers are just some of the ways that children will shape KidStar's format.

I commend KidStar radio for recognizing that today's youth deserve to have their views heard. I am confident that KidStar radio will help our young people grow into more informed, active citizens.

Mr. President, today's kids are the future teachers, business leaders and community servants of our Nation. Recognizing that kids can make a difference in their school and community, I am confident that KidStar radio will continue to serve the community long into the future.●

BASE REALIGNMENT AND CLOSURE COMMISSION

● Mr. COVERDELL. Mr. President, there are few circumstances that would ever cause me to miss voting on the issues before the U.S. Senate. During the past 2 days, however, such circumstances in my State of Georgia have presented themselves.

The Base Realignment and Closure Commission [BRAC] decided approximately 2 weeks ago that it would add four Georgia military installations to its list of facilities under consideration for closure. The four bases in Georgia, Forts McPherson and Gillem in Atlanta, the Warner Robins Logistics Center near Macon, and the Marine Corps Logistics Base in Albany, together directly employ over 30,000 military and civilian workers. Additionally, there are tens of thousands of other workers in these communities whose jobs depend indirectly on the economic activity of these installations. The impact of a base closure on these communities would be devastating, both in economic terms and, I believe, in potential military efficiency and resource structure. Accordingly, I joined with my other Georgia congressional colleagues for the past several days and assisted in a vigorous defense of these installations to the Base Realignment and Closure Commission.

During this time, my senior staff and I have devoted ourselves almost exclusively to the base closure issues and have traveled to each of these installations, worked with local leaders in preparing testimony to the BRAC and have provided other support as it has been called for.

My decision to accompany the head of the BRAC, former-Congressman Jim Courter, on his visits to Forts McPherson, Gillem, and Warner Robins and to join Commissioner Bowman in visiting the Marine Corps Depot at Albany necessitated that I be away from Washington during Senate voting activity.

Yesterday morning, Wednesday, June 9, 1993, I made a formal presentation to the Base Realignment and Closure Commission which summarized the reasons I believe our Georgia military bases are critical to our national defense and to our future strategic military configuration. I request that my remarks to the BRAC be part of today's CONGRESSIONAL RECORD.

The remarks follow:

REMARKS BY SENATOR PAUL D. COVERDELL BEFORE THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION, JUNE 9, 1993

Chairman Courter and Commissioners, thank you for the opportunity to speak before this hearing today. I would like to compliment you on your effort to insure that a fair, accurate and unbiased recommendation will be presented to the President on July 1st. We recognize that it was not required for the Commission to hold as many complete hearings as you have decided to hold in order for you to make the best possible determination. I commend you for taking on this enormous task.

Governor Miller and Senator Nunn have spoken forcefully on the important roles these four Georgia military installations play in our national defense and our state's economy. I fully support their comments.

The case to keep these bases open is compelling. In order of their presentations may I refer to:

1. WARNER ROBINS

Senator Nunn has well described the extensive and highly sophisticated facilities at Warner Robins. Other presenters here today will give details as to why this base is the largest, most efficient, cutting-edge facility of any in its category in our entire defense system. The facts which establish this uniqueness, this efficiency and the prohibitive costs to duplicate Warner Robins Air Logistics Center make a convincing case.

To merit more time for community delegates to address the commission regarding Warner Robins, I will simply say that the contribution which this installation makes to our national defense—a contribution which is unmatched in efficiency by any other base—is simply too important to lose. In this period of necessary down-sizing of our military resources, we must conserve those assets which are achieving their mission in an exemplary fashion. Warner Robins is just such an asset. A note: while economic impact is not the first criteria for you to measure, it is measured in certain geographic areas—middle Georgia is such an environment.

2. ALBANY MARINE CORPS LOGISTICS BASE

The Marine Corps Logistics Base located in Albany is a shining star of efficiency and superior facilities, providing an integral link between Marine Corps Logistics, Marine Prepositioned Forces and National Security.

The Base possesses a national strategic location to accommodate contingency mobilization for national security capabilities. Closure of this facility would greatly impair the Marine Corps' ability to maintain equipment readiness, impair its flexibility and rapid deployment missions.

The Base runs the Maritime Prepositioned Ship refit operation at Blount Island in Jacksonville. The proximity of the depot to the ship refit operation allows time sensitive, economic depot rework for the USMC cargo stored on these vessels during the same period the MPS ships are receiving their own maintenance.

The Logistics Base is the only wheeled-vehicle depot in the southeastern U.S. It is strategically situated to provide excellent support to other Department of Defense forces at bases in North Carolina, South Carolina, Florida and Georgia.

If this base were to close, transportation costs would dramatically increase. Costs for transportation of equipment could increase by $44 million over the next four fiscal years, depending upon which facilities were used in Albany's absence.

The Albany facility is a multi-commodity, state of the art operation that is more cost-effective than similar facilities. In a 1993 study, Albany had the lowest cost comparison for labor and overhead of all depots, and is rated as the best in the Department of Defense in cost comparison by hour.

The same study also found the Albany base to be the least expensive for common items used on the bases with similar functions.

The Marine Corps Logistics Center is well utilized in FY 94 and it has the ability to expand to accommodate future contingency and Department of Defense requirements. Albany is projected to run utilization rates at or near 96% for the next four fiscal years. Additionally, by adding a second or third shift, the Albany facilities could be utilized at a greater utilization rate with no additional fixed facilities costs.

Albany and its surrounding communities represent an area where economic impact must be measured in your analysis.

3. FORTS MC PHERSON AND GILLEM

Fort McPherson, although rich in history, is a modern facility benefitting from more than $100 million in new construction over the past five years.

It is the home of Forces Command, Third U.S. Army, the U.S. Army Reserve Command, and 22 other separate units.

Almost one million square feet of permanent administrative and operational facilities are specifically designed and used for Command and Control activities and support of those activities. This includes Marshall Hall, a $140 million, 371,000 square-foot facility which was constructed in 1978 as the headquarters FORSCOM.

A subinstallation to Fort McPherson is Fort Gillem, some 10 miles to the east. Gillem provides support for Fort McPherson and vast storage space for HQ-FORSCOM and the 3rd Army, as well as for FEMA and American Red Cross.

Warehouse space in the Atlanta area costs approximately $5.70 a square foot, versus $1.00 a square foot at Fort Gillem. The AAFES distribution center currently uses 2.2 million square feet, which would cost $12.5 million at market rates, if 2.2 million square feet of contiguous warehouse space could be found. This produces an annual savings of over $10 million at Fort Gillem.

A unique feature for both installations is their accessibility to major air, ground and rail transportation in Atlanta. Hartsfield International Airport is a massive, worldclass air transportation hub, and a significant consideration for location of a major command and control installation.

Further and more importantly, Atlanta offers an abundance of complimentary telecommunications technology. Atlanta communications offer more pathways in and out of the city than any other location.

Both bases operate at a high level of efficiency and with cost effectiveness. Further, basic allowances for quarters and variable housing are relatively low compared to other large metropolitan areas.

The average civilian salary and hourly wage rate are comparable to other installations. Utility costs and cost per square foot are low. Off-post housing is readily available and reasonably priced.

Both bases also offer expansion capabilities, most notably at Fort Gillem with its warehouse and storage space. Gillem has more than 270 acres available for growth potential. In addition, rail facilities, including railhead and switching facilities, are available.

Forts McPherson and Gillem are fortunate to be able to draw from the extensive Atlanta metropolitan-area recruiting pool. Currently the facilities employ a highly stable and well trained workforce, with a 99% workforce retention rate over the past four years.

In addition to its support of Port McPherson, Fort Gillem provides critical activities with regional responsibilities. Headquarters, Third region, U.S. Criminal Investigation Command has criminal investigation responsibilities for the eastern U.S., Puerto Rico, and Central and South America. The Criminal Investigative Laboratory is being expanded to provide world-wide support. The second recruiting Brigade has the recruiting mission for the Southeast. A new $1.5 million Reserve Intelligence Training Facility has recently been completed at Fort Gillem.

Yet, most compelling for the Fort McPherson/Fort Gillem complex is that the functions supported by each base do not go away with a smaller army. They would have to be replicated somewhere else. You will hear later today that the cost to relocate Forts McPherson and Gillem is prohibitively high and that the respective pay-back on investments, 16 to 39 years, renders the closure of these bases uneconomic.

CONCLUSION

Are Forts McPherson and Gillem, the Warner Robins Air Logistics Command Center, and the Marine Corps Logistics Base of critical military value? The answer is an unqualified yes. Are they poised for our future needs? Again, the answer is yes. Is there available land, facilities and airspace for growth or change? The answer is yes. Are these installations capable of accommodating future force requirement? Again, the answer is yes.

I believe equally important in your decision should be the interconnection these facilities have with their home communities. There is more to this than just economic impact. There is a pride in quality workmanship, rapid response to military needs and cohesive community efforts. There is a strength of spirit, commitment and tenacity in each of these communities which parallels the unique, high-spirited commitment to quality and military responsiveness of each of these bases.

I would also like to point out to the distinguished Commissioners that throughout the entire non-partisan review of potential base closures, not a single Secretary of Defense during the past three Administrations, including the present Administration, has recommended the closure of any of these four bases.

Mr. Chairman and Commissioners, after hearing all the presentations here today, I am confident you will agree that these four installations are both cost effective and are extremely vital to our national security. They are all models of efficiency, and are strategically positioned geographically. I strongly urge you to keep them open.

Again thank you for letting me address this hearing. I look forward to your decision. Thank you.•

TRIBUTE TO WADE BROWN

• Mr. McCONNELL. Mr. President, throughout the years I have had many contacts with the students and faculty of Kentucky Country Day School. In fact, at one point, four members of my staff were graduates of the small eastern Jefferson County school.

Therefore, Mr. President, it is with great pleasure that I rise today to acknowledge a great citizen of the Commonwealth who is very special to a number of my staff members as well as many Kentuckians. Mr. Wade Brown will be retiring after 36 years of exemplary service to both Louisville Country Day and Kentucky Country Day.

He relates to students on a uniquely personal level, oftentimes having taught several generations of the same family. In an age where responsible teachers and role models are increas-

ingly important, Wade Brown is a shining example of both. Throughout his many years teaching math, he has been a friend to all and a trusted adviser to many. Quick with an appropriate joke as well as sage advice, Mr. Brown has a gift for helping students discover their own answers to the mysteries of life and math.

As evidence of his special relationship with the students, Wade Brown has been the senior class adviser for many of his years at the school. In this position he helped steer the students through their ticklish senior years, as they waited to hear from colleges and planned their final high school activities.

As Wade Brown enters this exciting new chapter of his life, he will be remembered for the kindness of his actions and the sincerity of his word. Mr. President, Kentucky Country Day is losing a valuable asset to its faculty, but no matter how Mr. Brown decides to spend his newly acquired free time, you can be sure that his lessons will be remembered by those he touched and carried on by all his former students.

Mr. President, I ask my colleagues to join me in honoring this delightful Kentucky gentleman.●

REGARDING THE PROPOSED INCREASE ON TAXES APPLIED TO SOCIAL SECURITY BENEFITS

● Mr. MACK. Mr. President, several of my colleagues and I just came from a news conference to announce the results of a study performed by the National Center for Policy Analysis entitled, "Should 85 Percent of Social Security Benefits be Taxed?"

Put another way: "Should we impose an effective marginal tax rate of up to 104 percent on America's senior citizens?"

Or, put yet another way, "Should we destroy incentives for younger workers to save for their retirement?"

This study answers these questions with a resounding "No".

The President has proposed to increase the amount of Social Security benefits subject to tax from 50 to 85 percent. This is a whopping increase of 70 percent in the amount of income subject to taxation once the threshold is exceeded.

One important point to consider—most people think this is a tax on benefits. But it does not kick in until you reach a certain income threshold. Therefore, in reality, it is not a tax on benefits, it is a tax on income.

As an example, a 62-year-older worker earning more than $25,000, who would otherwise face a 28-percent tax rate, would be subjected to an effective marginal tax rate of 104 percent. In addition to the 28-percent income tax, and the earnings test penalty of 50 percent, they would face a 7.65-percent FICA tax and an 18-percent Social Security benefit tax.

A self-employed worker in a State with a State income tax would fare even worse. They would have to pay the full FICA tax and the State income tax.

Because these income thresholds are not indexed for inflation, the Congressional Research Service estimates that the tax hike would affect approximately 8.1 million beneficiaries, or approximately 22 percent of all Social Security recipients.

The Congressional Budget Office estimates that this number will increase to 30 percent by 1998.

Now I cite both the significant size of this tax increase and the large number of people affected because this proposal really represents a major sacrifice for many older Americans.

But this study also emphasizes that it is not just a tax on grandparents—young working Americans will also be feeling the effect of this tax hike.

Let me explain, and I quote from the study:

> Congress adopted a special tax status for employer-provided pensions, IRA's, 401(k)'s, and other retirement plans. People can defer taxes until retirement on the theory that tax rates will be lower for most people after they retire. However, that theory may no longer be true.
>
> Most U.S. workers are in the 15% tax bracket. Yet, because of economic growth, many of these workers will see their retirement income taxed at a rate above 50% under the Clinton plan.
>
> That is because growth and savings income could push them into the 32% tax bracket. Combine that with a 7.65% FICA tax and the proposed 12% benefit tax and it totals a 52% tax rate. Again, let me point out that while most people think of this as a tax on benefits, in reality it's a tax on income.

Let us also look at the effect this tax increase will have on the economy. Again, I quote from the study:

> The Social Security benefit tax currently adds about $6 billion of Federal revenue. Over the long run, however, the tax actually reduces Federal revenue.
>
> How? Due to the tax being applied to the tax-deferred savings of young people, it reduces their after-tax return and makes them less willing to save. It discourages saving and investment, it reduces economic growth.
>
> Furthermore, by putting up roadblocks to savings, more people will be eventually looking to the government for assistance.
>
> Nowhere is the Administration's plan to raise taxes more misguided than in efforts to tax Americans who either have already saved for retirement or are currently doing so.
>
> Why are some Democrats angry about people being successful? Why do they want to punish success?
>
> The government is sending Americans of all ages the message that if they save for their retirement years, they'll be punished with a government poised to snatch that savings away. That's wrong. We should be rewarding saving, not punishing it.
>
> The government should be providing incentives—not disincentives—for people to save.

Let me tell you something, President Clinton: Seniors with $25,000 a year of income are not wealthy. They did not "make it in the eighties." As a matter of fact, many of them are in their eighties.

They have to pay for supplemental health insurance, prescription drugs, the high costs of energy, and a variety of other day-to-day needs. They have already paid their fair share of taxes. We should not hit them with a new, burdensome tax simply because they planned early to meet their expenses.

Young Americans are worried about their future. They are getting mixed signals from their Government.

On the one hand they hear the Federal Government saying, "Save now for your family's future." But in the same breath they hear President Clinton saying, "If you do what we suggest and save for your family's future, we're going to penalize you." Where is the logic?

This study brings home the tragic conclusion that there is no logic to this new scheme to deter savings and tax income.

Mr. President, I ask that the study "Should 85 Percent of Social Security Benefits be Taxed?" be inserted in the RECORD.

Mr. President, I further ask that a study by the Heritage Foundation on the Clinton budget also be inserted in the RECORD.

The material follows:

FEDERAL BUDGET ISSUE: SHOULD 85 PERCENT OF SOCIAL SECURITY BENEFITS BE TAXED?

President Clinton proposes to increase the tax on Social Security benefits. Although the administration calls this an "entitlement spending reduction," what it proposes is a tax that will fall primarily on elderly investment income. The remainder of the burden will fall on the wages of elderly workers. If passed into law, the proposal would cause marginal tax rates faced by the middle-income elderly to reach a record high, resulting in less capital and labor, a slower rate of economic growth and a lower income for all Americans.

Current Law. The elderly pay income taxes on up to one-half of their Social Security benefits if their total income (including one-half of their benefits) exceeds $25,000 (individual) or $32,000 (couples). They pay taxes on 50 cents of benefits for each $1 of income above these income thresholds.

Proposed Change. President Clinton proposes to tax up to 85 percent of Social Security benefits. Above the income thresholds, the elderly would pay taxes on 85 cents of benefits for each additional $1 of income. The administration says this change would increase Federal revenue by $23 billion over five years.[1] Proposals to increase taxation on Social Security benefits have long been favored by Budget Director Leon Panetta and by the Brookings Institution and are routinely listed as a budget option by the Congressional Budget Office (CBO).

CALCULATING TAXABLE SOCIAL SECURITY BENEFITS FOR A COUPLE

Combine: wages plus investment income plus tax exempt income equals non-Social Security income.

Add: ½ Social Security benefits.

Subtract (no tax is payable unless the total exceeds $32,000.):

Footnotes at end of the article.

Multiply difference by: 0.50 (current law); 0.85 (Clinton plan).

Taxable Benefits: treated as taxable income subject to ordinary income tax rates. Maximum taxable benefits are equal to one-half of Social Security benefits (current law) or 85 percent (Clinton plan). Total.

How the Social Security Benefit Tax Works. The Federal government uses a complex formula to determine how much of Social Security benefits is taxable. Here is an example of how the formula works: Suppose an elderly couple receives $12,000 in Social Security benefits and $26,000 in other income. Since the total amount of income as measured by the formula—$26,000 plus one-half of the benefits ($6,000)—is $32,000, the income tax applies only to the $26,000 in non-Social Security income. If they earn $1 more, however, the income tax applies to that $1 plus 50 cents of Social Security benefits. If they earn $12,000 of additional income, an additional $6,000 (one-half of their Social Security benefits) is taxed.

Why the Tax Is Really a Tax on Income. The Social Security benefit tax usually is described as a tax on benefits. In fact, it is a tax on other income. No tax is paid unless a taxpayer's income reaches a certain level. Beyond that point, the tax rises as income rises. Since 50 cents of benefits is taxed for each additional $1 of income, when elderly taxpayers earn $1 they pay taxes on $1.50. The effective tax rate on income is 50 percent higher than otherwise.

Current Tax Rates on Elderly Income from Savings: 23 and 42 percent. About 60 percent of the income of elderly taxpayers comes from investments (including pensions).[2] For most younger people, the tax rates on investment income are 15 percent and 28 percent. Yet because of the Social Security benefit tax, the rates for the elderly on income from savings can be 50 percent higher.[3] [See Table I.]

- Elderly taxpayers in the 15 percent income tax bracket pay an effective rate of 22.5 percent (15% 1.5).
- Elderly taxpayers in the 28 percent tax bracket pay an effective rate of 42 percent (28% 1.5).

TABLE I—HOW THE SOCIAL SECURITY BENEFIT TAX AFFECTS MARGINAL TAX RATES ON INCOME FROM SAVINGS

[In percent]

	Income tax bracket	Social Security benefit tax	Total tax
Current law	15	7.5	23
	28	14.0	42
Clinton proposal	15	12.8	27.8
	28	23.8	51.8

FIGURE 1.—*Marginal Tax Rates for Savers*[1]

[28 percent income tax bracket]

	Percent
Young	28
Elderly (current law)	42
Elderly (Clinton plan)	52

[1] Assumes that adjusted gross income for elderly families is more than $32,000 but that they include less than the maximum amount of Social Security benefits subject to tax.

The President's Proposal: Raise the Rates on Savings to 27.8 and 51.8 Percent. Under President Clinton's proposal, the elderly would pay taxes on up to 85 percent of their Social Security Benefits. Thus, to the extent that they exceed the income threshold, they would pay taxes on $1.85 of each additional $1.00 of income. As a result, the tax rates for the elderly on income from savings would be up to 85 percent higher than those for most younger people. [See Figure 1.]

Elderly taxpayers in the 15 percent income tax bracket would pay an effective rate of 27.8 percent (15% 1.85).

Elderly taxpayers in the 28 percent tax bracket would pay an effective rate of 51.8 percent (28% 1.85).

Current Tax Rates on Elderly Wages: As High as 96 Percent. When the Social Security (FICA) tax (7.65 percent) is added to the income tax rates of 15 and 28 percent, marginal tax rates for younger workers are 23 and 36 percent.[4] For the elderly between 65 and 70 who earn more than $10,560 there is an additional penalty. They lose $1 of Social Security benefits for each additional $3 of wages. For those under age 65, the penalty is even more severe: if they earn more than $7,680 in wages, they lose $1 of benefits for each additional $2 of earnings. Add these penalties to the FICA tax, the income tax and the Social Security benefit tax, and the results are as shown in Table II:

Under current law, the marginal tax rate on wage income for someone between the ages of 65 and 70 can reach 80.65 percent.

For a worker between the ages of 62 and 65, the marginal rate is as high as 96 percent.

Thus elderly workers can face a tax rate almost three times as high as the rate faced by a younger worker earning identical income. [See Figure 2.]

The President's Proposal: Raise the Tax Rates on Wages as High as 104 Percent. The president's proposal would make the tax rates on wage income for elderly workers even higher. As Table III shows:

Workers between 65 and 70 years of age would face a marginal tax rate as high as 88.81 percent.

For workers between the ages of 62 and 65, the marginal rate could be as high as 103.5 percent.

This means that workers could pay as much as $1.04 in taxes when they earn an additional $1.00 of income.

FIGURE 2.—*Marginal Tax Rates on Wages under the Clinton Plan*[1]

[28 percent income tax bracket]

	Percent
Under age 62	36
Ages 62–65	104
Ages 65–70	89
Over age 70	52

[1] Assumes workers age 62 or older are receiving Social Security benefits, are in the 28 percent federal income tax bracket and are below the caps on the FICA tax, the Social Security benefit tax and the Social Security earnings penalty (which becomes zero once all benefits are lost).

TABLE II.—CURRENT MARGINAL TAX RATES ON THE WAGES OF ELDERLY WORKERS[1]

(In percent)

Tax	15 percent bracket	28 percent bracket
Ages 65–70:		
Income tax	15.00	28.00
FICA tax	7.65	7.65
Social Security earnings penalty	33.33	33.33
Social Security benefit tax[2]	6.25	11.67
Total Federal tax	62.23	80.65
Ages 62–64:		
Income tax	15.00	28.00
FICA tax	7.65	7.65
Social Security earnings penalty	50.00	50.00
Social Security benefit tax[2]	5.63	10.50
Total Federal tax	78.28	96.15

[1] Workers are assumed to be below the caps on the FICA tax, the Social Security benefit tax and the Social Security earnings penalty (which becomes zero once all benefits are lost).

[2] The Social Security benefit tax rate is lower than the rate shown in Table I because of the loss of benefits due to earnings penalty.

TABLE III.—MARGINAL TAX RATES ON THE WAGES OF ELDERLY WORKERS UNDER THE CLINTON PLAN[1]

(In percent)

Tax	15 percent bracket	28 percent bracket
Ages 65–70:		
Income tax	15.00	28.00
FICA tax	7.65	7.65
Social Security earnings penalty	33.33	33.33
Social Security benefit tax[2]	10.63	19.83
Total Federal tax	66.61	88.81
Ages 62–64:		
Income tax	15.00	28.00
FICA tax	7.65	7.65
Social Security earnings penalty	50.00	50.00
Social Security benefit tax[2]	9.56	17.85
Total Federal tax	82.21	103.50

[1] Workers are assumed to be below the caps on the FICA tax, the Social Security benefit tax and the Social Security earnings penalty (which becomes zero once all benefits are lost).

[2] The Social Security benefit tax rate is lower than the rate shown in Table I because of the loss of benefits due to earnings penalty.

Rates for Some Elderly Workers Could Go Still Higher. The tax rates shown in Table III and Figure II are by no means the worst cases. For some workers the rates will be even higher. For example:

If workers face a state and local income tax rate of 5 percent, the highest marginal tax rate on wages could climb to 112.75 percent.

For workers who are self-employed—and thus are paying a 15.3 percent FICA (Social Security payroll) tax—the marginal rate could climb to 120.4 percent.

Elderly workers who are self-employed and living in Montana [see Table IV] could face a 130 percent marginal tax rate.[5]

The Long Reach of the Social Security Benefit Tax. Because of the way income tax returns are organized, many elderly taxpayers do not realize that the Social Security benefit tax actually taxes income. Many also are unaware of how far-reaching it is. The Social Security benefit tax reaches capital gains income, tax-exempt income and Social Security COLA increases [see Table V], and because many states accept the federal definition of taxable income, it increases some state and local income tax rates by 50 percent.[6] Under the Clinton plan:

Capital gains income would be subject to the 52 percent top rate for persons receiving Social Security benefits versus 28 percent for others.

Tax-exempt income could be taxed at a rate of 24 percent versus a zero rate for younger taxpayers.

Social Security cost-of-living adjustments (COLA) increases would be taxed at a rate as high as 12 percent.

And state and local income taxes could be increased as much as 9 percentage points.

Moreover, the tax rates on these other sources of income would be considerably higher than under current law. [See Figure III.] For example:

Under the Clinton plan, there would be a 24-percent increase in the top marginal tax rate applied to capital gains, withdrawals from pensions and IRAs and other investment income.

There would be a 71 percent increase in the top marginal tax rate imposed on tax-exempt income and entitlement COLA increases.

The Highest Rates Are Paid by the Middle-Income Elderly. A cornerstone of Bill Clinton's election campaign was tax fairness, and the concept of a fair tax burden is being used to promote the Clinton economic package as well. But the Social Security benefit tax increase is anything but fair. If this proposal becomes law, elderly families with incomes

between $40,000 and $60,000 could be required to pay several thousand dollars in additional taxes. Since the purpose of the proposal is to reduce the deficit (see the analysis below), why single out the middle-income elderly to shoulder more than their fair share of the load?

FIGURE 3.—*What the Clinton Plan Does to Other Marginal tax Rates of the Middle-Income Elderly*[1]

	Percent
Withdrawals from pensions and IRAs:	
Before	42
After	52
Capital gains:	
Before	42
After	50
Tax exempt income:	
Before	14
After	24
COLA increases:	
Before	7
After	12

[1] Taxpayer is assumed to be in the 28 percent tax bracket, receiving Social Security benefits and below the cap on the Social Security benefit tax.

Moreover, the higher marginal tax rates would affect the incentives of middle-income families, not of the wealthy elderly. Once a taxpayer reaches an income level at which fully 85 percent of Social Security benefits are taxed (about $30,000 of other income for an individual and about $42,000 for a couple), additional income is taxed at ordinary tax rates.[7] The wealthy elderly, who face a marginal tax rate of 31 percent, 36 percent or even 39.2 percent, are made worse off by the Social Security benefit tax. But the tax does not affect their economic decisions. The middle-income elderly, on the other hand, are affected directly. High marginal tax rates affect their decisions to work additional hours, invest in or sell assets and realize other types of income.

TABLE IV.—STATE TAXES ON SOCIAL SECURITY BENEFITS

State	Top marginal rate (percent)	Income level[1]
Colorado	5.00	All income levels
Connecticut	4.50	All income levels
Iowa	9.98	Over $47,700
Kansas	7.75	Over $30,000 (s)
	6.45	Over $60,000 (m)
Minnesota	8.50	Over $47,110 (s)
		Over $83,300 (m)
Missouri	6.00	Over $9,000
Montana	11.25	Over $59,400
Nebraska	6.92	Over $27,000 (s)
		Over $45,000 (m)
New Mexico	8.50	Over $41,600 (s)
		Over $64,000 (m)
North Dakota	[2] 14.00	All income levels with the short form.
	12.00	Over $50,000 with the long form.
Rhode Island[3]	.....	
Utah	7.20	Over $3,750 (s)
		Over $7,500 (m)
Vermont[4]	.....	
West Virginia	6.50	Over $60,000
Wisconsin	6.93	Over $15,000 (s)
		Over $20,000 (m)

[1] S is single and m is married, filing jointly.
[2] As an option any taxpayer may pay 14 percent of federal income tax liability.
[3] Tax is based on federal income tax liability. For taxpayers with federal income tax liability greater than $15,000, the tax equals 32 percent times the amount of federal income tax liability greater than $15,000.
[4] Tax is based on federal income tax liability. The tax equals 34 percent of federal income tax liability exceeding $13,100.
Source: David Baer, American Association of Retired Persons, Public Policy Institute.

TABLE V.—HIGHEST MARGINAL TAX RATES ON INCOME UNDER THE CLINTON PLAN[1]

[In percent]

Type of Income	Elderly[2]	Nonelderly[3]
Wages and salaries	104	46

TABLE V.—HIGHEST MARGINAL TAX RATES ON INCOME UNDER THE CLINTON PLAN[1]—Continued

[In percent]

Type of Income	Elderly[2]	Nonelderly[3]
Withdrawals from pensions, IRAs, etc	52	45
Capital gains	52	28
Other investment income	52	45
Tax-exempt income	24	0
Entitlement COLA increases	12	0

[1] Ignores state and local taxes and higher FICA taxes for the self-employed.
[2] Includes people age 62 and over who receive Social Security benefits. Assumes 28 percent federal income tax bracket.
[3] Not receiving Social Security benefits. Assumes a new top income tax rate of 36 percent, a 10 percent surtax on incomes over $250,000, phase-outs of personal exemptions and itemized deductions and elimination of the Medicare wage ceiling.

Why the Social Security Benefit Tax Also Taxes the Young. Congress created a special tax status for employer-provided pensions, IRAs, 401(k)s, Keoghs and SEP (Simplified Employee Pension) plans to encourage retirement savings. The law allows people to avoid taxes now and defer them until their retirement years on the theory that tax rates will be lower for most people after they retire. That theory may no longer be true for many young workers.[8]

The average U.S. worker is in the 15 percent income tax bracket today.

Yet because of economic growth and because of the Social Security benefit tax, many of these workers will see their retirement income taxed at a rate above 50 percent under the Clinton plan.

The proposal to tax 85 percent of Social Security benefits is not merely a proposal to tax the elderly. If enacted, it will immediately decrease the aftertax value of most American workers' pension plans.[9]

Effects of the Proposal on the Budget: Short-Term Revenue Gains, Long-Term Revenue Losses. The Social Security benefit tax currently adds about $6 billion to federal revenue.[10] Over the long run, however, the tax actually reduces federal revenue. Because the tax applies to the tax-deferred savings of young people, it reduces their aftertax return and makes them less willing to save. Because it discourages saving and investment, it reduces economic growth. Even without the adoption of the Clinton plan:[11]

In the year 2000, the Social Security benefit tax will cause an $84.4 billion reduction in our GNP.

At that time, annual total federal revenue will be $10 billion lower because of the tax.

Eroding the Philosophical Underpinnings of Social Security. To ensure popular support, the designers of Social Security wanted benefits to be something that people earned and not a handout. They also wanted government to be obliged to pay promised benefits. They accomplished these objectives by linking payroll taxes paid with benefits received.[12] Payroll taxes exclusively funded Social Security for the first four decades. Then, in 1983, the link was broken. Social Security benefits were taxed for the first time to help fund the continued payment of benefits. Because the resulting tax revenues were explicitly earmarked for Social Security, the benefits taken from better-off beneficiaries were kept within the system.

In yet another break with the past, the Clinton administration proposes to use the revenues from higher Social Security benefit taxes for general deficit reduction. Taking this money breaks the link between contributions going in and benefits coming out. Blurring the distinction between Social Security and other programs will make it easier to renege on promised benefits in the face of the significant tax increases that will be needed sometime after the turn of the century.[13]

Is There a Better Way? Yes. The argument for taxing Social Security benefits is that the beneficiaries paid for only a small portion of their benefits through payroll taxes.[14] Even if the argument is accepted, beneficiaries should be taxed at the same marginal tax rate as all other taxpayers. For example, a portion of Social Security benefits could be included in the ordinary income of elderly beneficiaries—taxable at ordinary income tax rates. The elderly would face the same marginal tax rates as younger taxpayers. Exemptions could be raised to prevent undue hardship for the low-income elderly without increasing marginal tax rates.

Encouraging the elderly to work and to save is important to the economic well-being of the nation. The withdrawal of elderly workers from the labor market is costly for the nation as a whole. In addition to their talents, they contribute to the nation's output of goods and services and to both tax revenue and Social Security revenue. The Labor Department warns that in the long run we face labor shortages, and elderly workers will be needed to help fill the gap.[15]

Although the elderly constitute only 12 percent of the population, they hold about 40 percent of all capital assets in the United States.[16] The driving force behind the American economy is its ability to combine labor with larger and larger amounts of capital. More capital per worker leads to more output per worker. These productivity gains result in higher wages and a higher standard of living for all Americans. To the degree that government discourages saving for the retirement years, everyone is worse off—old and young.

ALDONA ROBBINS.
GARY ROBBINS.
JOHN C. GOODMAN.

NOTE. Nothing written here should be construed as necessarily reflecting the views of the National Center for Policy Analysis or as an attempt to aid or hinder the passage of any bill before Congress.

FOOTNOTES

[1] The original proposal released in February put the tax increase at $29 billion over five years. However, the formal budget document released on April 8 lowered that estimate by $6 billion. Employee Benefit Research Institute Notes, Vol. 14, No. 4, April 1993, p. 7.

[2] See Aldona Robbins and Gary Robbins, "Elderly Taxpayers and the Capital Gains Debate," National Center for Policy Analysis, NCPA Policy Report No. 153, July 1990.

[3] Assumes taxpayer is below the maximum Social Security benefit tax.

[4] We have counted only the employee's share of the FICA tax because that is directly deducted from the paychecks of workers. Most economists, however, would agree that workers pay the employer's share (also 7.65 percent) as well in the form of reduced wages. Our calculations of marginal tax rates, therefore, are conservative.

[5] Based on a 10 percent state income tax rate that applies to Social Security benefits.

[6] Currently, 15 states tax Social Security benefits: Colorado, Connecticut, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Rhode Island, Utah, Vermont, West Virginia and Wisconsin. See David Baer, "State Taxation of Social Security and Pension," American Association of Retired Persons (AARP), Public Policy Institute, Issue Brief No. 13, June 1992. See also Table IV in this report.

[7] Assumes the individual receives a benefit of $10,000 and the couple receives a $20,000 benefit. Someone who always earned the average wage retiring at age 65 in 1993 would be entitled to a benefit of $9,853. 1993 annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, Washington, DC, April 1993, Table II.F.12, p. 112.

[8] Aldona Robbins and Gary Robbins, "Taxing the Savings of Elderly Americans," National Center for Policy Analysis, NCPA Policy Report No. 141, September 1989.

[9] In the year 2010, when the average Social Security benefit for a couple will be $36,000, these high marginal tax rates would apply to as much as $62,000 of other income. As a result, most of today's workers would pay these high tax rates on most of their income after retirement.

[10] 1993 OASDI Trustees' Report, Table II.F.12, p. 112.

[11] Robbins and Robbins, "Taxing the Savings of Elderly Americans," Table XVI. Amounts are in current dollars.

[12] As President Franklin Roosevelt put it, "With those [payroll] taxes in there, no damn politician can ever scrap my Social Security program." Aldona Robbins, The ABCs of Social Security (Washington, DC: Institute for Research on the Economics of Taxation, 1988), pp. 1–5.

[13] Although Social Security is currently running a surplus, deficits will appear as the Baby Boomers approach retirement. For a discussion of long-run problems, see John C. Goodman and Aldona Robbins, "The Immigration Solution," National Center for Policy Analysis, NCPA Policy Report No. 172, August 1992.

[14] Note that the argument can easily be reversed for young workers. Many of today's young people will pay more in Social Security taxes than they will ever receive in benefits. So if the goal is to make taxes equal benefits, we should lower the payroll tax for the current generation.

[15] Labor Market Shortages, U.S. Department of Labor, 1989.

[16] Aldona Robbins and Gary Robbins, "Taxing the Savings of Elderly Americans," Appendix B.

MEDIA CONTACTS

Economic experts

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Representatives of senior organizations

1. William Lesarde (Director of Policy and Research) National Committee of Preserve Social Security and Medicare, 202–822–9459.
2. Judy Part (Legislative Director) National Association of Retired Federal Employees, 202–234–0832.
3. John Rother (Director of Legislation and Public Policy) American Association of Retired Persons (AARP), 202–434–2277.
4. Daniel Hawley (Past President) Senior Coalition Against Catastrophic Coverage Act, 702–646–1775.
5. Peggy Hinchey Senior Citizen Guild, 313–663–3394.

THE NATIONAL CENTER FOR POLICY ANALYSIS

The National Center for Policy Analysis is a nonprofit, nonpartisan research institute, funded exclusively by private contributions. The NCPA originated the concept of the Medical IRA (which has bipartisan support in Congress) and merit pay for school districts (adopted in South Carolina and Texas). Many credit NCPA studies of the Medicare surtax as the main factor leading to the 1989 repeal of the Medicare Catastrophic Coverage Act.

NCPA forecasts show that repeal of the Social Security earnings test would cause no loss of federal revenue, that a capital gains tax cut would increase federal revenue and that the federal government gets virtually all the money back from the current child care tax credit. These forecasts are an alternative to the forecasts of the Congressional Budget Office and the Joint Committee on Taxation and are frequently used by Republicans and Democrats in Congress. The NCPA also has produced a first-of-its-kind, pro-free-enterprise health care task force report, written by 40 representatives of think tanks and research institutes, and a first-of-its-kind, pro-free enterprise environmental task force report, written by 76 representatives of think tanks and research institutes.

The NCPA is the source of numerous discoveries that have been reported in the national news. According to NCPA reports:

Blacks and other minorities are severely disadvantaged under Social Security, Medicare and other age-based entitlement programs;

Special taxes on the elderly have destroyed the value of tax-deferred savings (IRAs, employee pensions, etc.) for a large portion of young workers; and

Man-made food additives, pesticides and airborne pollutants are much less of a health risk than carcinogens that exist naturally in our environment.

What others say about the NCPA

". . . influencing the national debate with studies, reports and seminars."—Time

". . . steadily thrusting such ideas as 'privatization of social services into the intellectual marketplace."—Christain Science Monitor

"Increasingly influential."—Evans and Novak

THE HERITAGE FOUNDATION.—HOW CLINTON'S BUDGET PLAN TAXES THE ELDERLY

(Updating Backgrounder Update No. 192, "The Houses Budget Reconciliation Bill: Making a Bad Budget Even Worse," May 25, 1993; Backgrounder No. 942, "Why Higher Tax Rates on Income Will Slow Growth, Cost Jobs," May 25, 1993; Backgrounder No. 932, "Taxes, Spending, Gimmicks, and Snake Oil: Why Bill Clinton's Budget Is Bad for America," March 16, 1993.)

The House of Representatives last week passed its budget reconciliation bill (H.R. 2141) enshrining the Clinton Administration's tax and spending proposals. Many elderly Americans are unaware that buried in the plan (section 14215) is a discriminatory tax increase on middle-income senior citizens who depend for their retirement on money from sources other than Social Security—such as individual retirement accounts (IRAs), 401(k) plans, bank certificates of deposit (CDs), mutual funds, pensions, or wages from part-time employment.

The tax actually is a special surtax on the elderly, designed to increase automatically every year at twice the rate of inflation. Moreover, it is levied on what the tax code calls "provisional income." The surtax effectively double-taxes every investment a worker undertakes to provide for is or her retirement—particularly tax-sheltered savings such as IRAs, 401(k) plans, and municipal bonds.

Earlier this year, the White House was calling this new surtax a "spending reduction" in Social Security. Officials tried to justify that deception as follows: They said the Reagan Administration had used such a budget concept in 1984 when tax receipts were deposited back into the Social Security trust fund to help rebuild reserves.

But the new tax increase has very different implications for the elderly because it does nothing to help assure the fiscal integrity of the Social Security system. The report issued by the House Ways and Means Committee to accompany H.R. 2141 makes clear that lawmakers and the public were missed by the White House's original characterization. The key point is that new tax revenue will not be credited to the Social Security trust funds. It will simply go to the federal government's General Fund, to be spent on other programs. When tax money collected is not deposited back into the trust fund from which it came, it hardly can be called a "spending reduction." It is simply a surtax on the savings and pensions of middle-income elderly people.

HOW THE SURTAX ON "PROVISIONAL INCOME" HITS IRAS AND PENSIONS

The "provisional income" tax is a comprehensive levy on all the income and savings (such as IRA withdrawals) of senior citizens in the middle range of income. Significantly, it includes everything normally exempt. The tax is calculated on a separate schedule based on income that includes regular income and taxable withdrawals from IRA and 401(k) plans, taxable interest from savings, dividends, rents, and capital gains from investments. But it also includes tax-exempt interest on municipal bonds, certain foreign source income, as well as half of the retiree's tax-exempt Social Security pension.

The effect of this surtax is to place America's middle-income elderly in a special, higher bracket by virtue of their age. For instance, if an individual younger than retirement age receives $1 from savings, the income tax will take 15 cents in the lowest tax bracket. But some Americans must also calculate a surtax on their "provisional income," and a second 15 cents on the same $1 of savings would be due under the surtax. And if that taxpayer were just below the 28 percent tax bracket, the government's income calculation would push the elderly American into the next highest bracket and the higher marginal tax rate would apply.

The surtax is targeted on middle-incomes retirees because it applies only over a range of income that falls between a fixed threshold and a variable cap. The threshold is $25,000 ($32,000 for joint returns, and not indexed for inflation). The cap is indexed for inflation and will go up every year; it is currently equal to 50 percent of one's Social Security pension. The Clinton Administration proposes to increase the cap dramatically this year, from 50 percent to 85 percent of the Social Security amount, which will elevate the cap even more in future years. Only "middle income" elderly Americans are subject to this surtax—those with incomes above the cap are not liable for the surtax.

A STEALTH TAX, GROWING WITH INFLATION

The surtax on "provisional income" is designed to start off at a modest level, taking money from only a few retirees. But gradually it will grow to encompass more and more less-well-off Americans over age 65. The silent effects of inflation will cause an insidious deepening of the surtax threshold. Since the threshold amount of $25,000 is not indexed for inflation, it will drop in real terms each year, encompassing millions of additional elderly Americans. Today most Social Security pensions are under $12,000 per year. But at today's inflation rate, most Social Security pensions by the year 2015—when the baby boom generation begins to pass age 65—will be greater then the threshold and everything a retiree has saved may be subject to the surtax.

EXAMPLE 1

Take the example of a retired store manager whose retirement income is $35,500. His lifetime earnings from wages and salary were near, but not above, the maximum wage base for Social Security tax. He receives a modest pension from his former employer, and managed to accumulate savings in a tax-sheltered 401(k) account during his

working life (which is now held as an IRA). In addition he has invested in some tax-exempt municipal bonds and taxable certificates of deposit.

	Actual income	Provisional income amount
Tax exempt income:		
Untaxable Social Security	$9,000	$4,500
Municipal bond income	2,000	2,000
Total	11,000	
Taxable income:		
Pension from employer	17,500	17,500
Taxable interest from CDs	2,000	2,000
IRA withdrawals during year	5,000	5,000
Total	24,500	31,000
Threshold		(25,000)
Taxable amount		6,000
Elderly surtax at 15 percent		900

EXAMPLE 2

A married, retired plant manager with an engineering firm, whose retirement income is $59,400, would pay the maximum surtax. His lifetime earnings from wages and salary were always above the maximum wage base for Social Security tax. He receives a generous pension from his former firm, and managed to accumulate savings in a tax-sheltered 401(k) account during his working life (which is now held as an IRA). In addition he has invested in tax-exempt municipal bonds and taxable certificates of deposit.

	Actual income	Provisional income amount
Tax exempt income:		
Untaxable Social Security	$20,300	$10,150
Municipal bond income	2,000	2,000
Total	22,300	
Taxable income:		
Pension from firm	30,100	30,100
Taxable interest from CDs	2,000	2,000
IRA withdrawals during year	5,000	5,000
Total	37,100	49,250
Threshold		(32,000)
Taxable amount		17,250
Elderly surtax at 28 percent		4,830

If this individual had a one-time capital gain from the sale of his home, which put him into the top 36 percent tax bracket, his surtax that year would be $6,210, or $1,300 higher.

CONCLUSION

Whether Social Security should remain a tax-exempt pension, or whether it should be taxed like any private pension can be debated. But the method adopted in the House budget reconciliation bill to calculate the tax on "provisional income" means a higher tax rate on savings and investment—thus a tax on each American's preparation for retirement and self-sufficiency in old age, and a penalty on savings.

JOE COBB,
John M. Olin Fellow.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 101–194, appoints Walter B. Gerken, of California, to the Citizens Commission on Public Service and Compensation.

ORDER FOR RECOGNITION OF SENATORS

Mr. FORD. Mr. President, I ask unanimous consent that during the period for morning business on Tuesday, June 15, there be up to an hour under the control of Senator HARKIN or his designee, with the time to follow the time previously ordered for Senator BYRD, and that Senator GRAMM of Texas be recognized for up to 10 minutes.

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

RECESS UNTIL 2:30 P.M. MONDAY, JUNE 14, 1993

Mr. FORD. Mr. President, there being no other business to come before the Senate, I ask unanimous consent that we now stand in recess under the previous order.

There being no objection, the Senate, at 8:05 p.m., recessed until Monday, June 14, 1993, at 2:30 p.m.